

KARNATAKA STATE INDUSTRIAL PROFILE 2015-2016







Prepared by:

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Government of India
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FOREWORD

The MSME- Development Institute, Bengaluru is one of the prime Government of India Organisation in Karnataka State engaged in the promotion and development of Micro, Small and Medium Enterprises . As a part of promotional and development of activities, the Institute prepare Karnataka State Profile on availability of resources for promotion and Development of MSMEs in the State.

The report on State Profile is one such report compiled and prepared under Action Plan target of the Institute assigned by Addl. Secretary & Development Commissioner (MSME), New Delhi. This report contains the present State of economy, salient features of the progress of the different sectors of the State of Karnataka.

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I am happy to appreciate the efforts put forth by Dr. Sriramappa V., Dy. Director (IES) in collecting the latest information available from departments of Government of Karnataka in bringing out this report. I sincerely hope that this report will be useful to all connected with the development of industries. It is needless to state that this document will serve as a valuable guide to the prospective entrepreneurs who are desirous of setting up of industries in Karnataka and also would receive proper recognition by the authority.

(S.N. Rangaprasad)
Director

Bengaluru Date 19th January,2016

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A Map showing the 30 Districts of Karnataka



Karnataka at Glance

Area	1,91,791 sq. Km (Eighth Largest State in India)				
Length	760 Km. (North-South)				
Breath	420 Km. (East-West)				
Population	611.00 lakhs				
Females per 1000 males	973 Nos.				
Capital	Bengaluru				
Literacy	75.60 %				
Female Literacy	68.13%				
Languages	Kannada, Kodagu, Tulu, Telugu, Tamil, Urdu, Marathi, Konkani, Hindi.				

Climate	Semi-Tropical
Seasons Summer	March to May (18oC to 40oC)
Winter	October to December (14oC to 32oC)
South-West Monsoon	June to August
North-East Monsoon	October to December
Rainfall	500 mm to over 4000 mm. Agumbe in the Sahyadris receives the Second Heaviest Annual Rainfall (7600 mm) in India.
Physio-Graphy	Karavali, the Coastal Plain Sahyadris, the Western Ghats, Malnad, the Transitional Belt, the Southern Plateau, the Northern Plateau, and the Eastern Ghats.
Greens	Tropical Evergreen, Tropical Semi-evergreen, Dry Deciduous (Malnad) Deciduous (Plateau), Shrub

Major Crops	Ragi, Jowar, Rice, Sugarcane, Coconut,						
Major Minerals	Groundnuts, Coffee and Cotton. Iron ore, Manganese, Maganesite, Gold						
Roads	Total length of Roads- 1,22,489 kms						
National Highways	2,357 kms						
State Highways	28,311 kms						
Major District roads	2,090 kms						
Traditional Products	Coffee, Silk, Sandalwood, Agarbathis, Carvings, Toys, Handicrafts						
Prime Industries	Electronics, Computer, Garments, Aeronautics, Machine Tools, Electrical Engineering, Aluminiun, Steel						

CHAPTER-I

INTRODUCTION

Karnataka is one of the most progressive and industrialized states in the country and is leading States in driving India's economic growth. Economic growth and fast development of any state depends on Industrial relations.

Karnataka as a knowledge hub and a rapid growing economy is credited to its peaceful industrial relations. With just 5% of the country's population, the State contributes to 6% of GDP, 7% of Fixed Capital and 13 % of India's exports. The State GDP of `2970 billion (US\$ 49 billion) in 2012-13 (at constant prices) grew at 5.3%, higher than the national GDP of 5% when compared to FY2011-12.

The state has an illustrious history of successfully introducing several industrial and technological initiatives. State's pre-eminent position on the industrial and business map of India is based on several factors.

Karnataka is rich in natural resources and known for its salubrious climate. It has a strong resource base of highly educated people, backed by an extensive educational infrastructure comprising world-renowned schools, colleges, institutes of higher learning, research and development centres, highly skilled labour force, disciplined and hardworking. And, above all, it has a farsighted, development-oriented, investor-friendly government that firmly believes in, and actively encourages, public – private partnerships. Today, Karnataka is driving domestic growth and creating wealth through a potent mix of resource-based, skill-based, technology-based and knowledge-based products and services.

<u>SPOTLIGHTS OF THE STRENGTH /POTENTIAL / OPPORTUNITIES:</u>

Information Technology

Karnataka is leading IT hub of the country. Bengaluru as the 2nd largest technology cluster in the world after Silicon Valley.

- 1. 3500 IT companies contribute over 38% of the IT exports in the country with Karnataka being the largest software exporter.
- 2. 33 Billion USD IT exports in the year 2014-15.
- 3. More than 400 out of Global Fortune 500 companies outsource their IT services from Bengaluru.
- 4. More than 85 Chip Design houses and 370+ R & D houses provides direct employment to over 10 lakhs and indirect employment over to 25 lakhs as on 2014-15.
- 5. 50% of the world's SEI CMM Level 5 certified companies located in Bengaluru.
- 6. Presence of almost all leading IT companies of the world, including Infosys, Wipro, Tata Consultancy Services, Oracle, Dell, IBM, Microsoft, Accenture, Cognizant, etc.

Manpower and Talent availability

There are about 22 Universities, 200 Engineering Colleges, 200 Polytechnics and 300 Industrial Training Centres in Karnataka. Bengaluru has the highest number of R&D centers in India.

Over 80,000 Engineers, 201 registered IT/ITeS SEZs,3 Software Technology Parks with 3,500 software companies and 50,000 Ph.D's annually added to the talent pool. Soon to set up ICT Academy of Karnataka in association with Govt. of India & NASSCOM for industry oriented ICT Skill Development Programs.

By 2020 to become the largest collection of talents in a single location on the planet, with 20 lakhs IT professionals and 60 lakhs indirect employment

Bengaluru - Start-up Capital of India

Bengaluru has emerged as IT Start-up Capital of India with more than 30% of national share. Start-ups are being supported with integrated package of subsidised incubation space, fully equipped laboratories, early stage funding and capacity building, partnerships with NASSCOM 10 K program, IAMAI's 10X initiative and DietY, GoI's IOT initiative. Incubation Centers established and start ups being supported in Tier-2 cities to develop them as upcoming ICT destinations over 70 Venture Capital Firms.

Biotechnology

Karnataka placed at the forefront of Biotechnology in the country, is rightly known as the Biotech Capital of India. Karnataka is home to large array of biotechnology educational, R&D institutions and enterprises: large companies, medium-sized ones, and many promising biotech start-ups.

All of these are integral parts of the ecosystem required to find innovative solutions and to convert them into products and processes to mitigate challenges such as hunger, malnutrition, health and wellness, energy deficiency and deterioration of the environment.

Biotech Sector in Karnataka reflects:

- 1. 200 plus biotech companies including BIOCON the first one to go public.
- 2. Rapidly growing number of biotech start-ups
- 3. Contribution of 26% of India's biotech revenues including high export revenues and domestic sales.
- 4. Highest expenditure for R&D
- 5. A diverse range of specialized domain training from agriculture to energy to bio-engineering.
- 6. Employs approximately 19,000 scientists in biotech sector in which women constitute 15.6 % of the total manpower and is on the rise.

Biotech Park Clusters for focused Innovation

Karnataka has been committed to establish Biotech Park Clusters such as BBC (Bangalore Bioinnovation Center) and in other cities across the state (Mysore, Dharwad, Mangalore and Bidar) to promote innovation, entrepreneurship and manufacturing of biological products to meet the challenges of the society. The focus areas are agriculture, health & wellness, medical devices, animal welfare, energy and environment.

Bangalore Helix Park Cluster:

1. Bio Innovation Center (BBC) to host 25+ start-ups & access to high tech instrumentation facility.

- 2. Institute for Bioinformatics and Applied Biotechnology (IBAB).
- 3. Centre for Human Genetics (CHG)

Other Clusters in Karnataka:

- 1. Nutraceutical and Phyto-pharmaceuticals in collaboration with CFTRI-Mysore
- 2. Agricultural Biotechnology in collaboration with UAS- Dharwad
- 3. Marine / Aqua Biotech in collaboration with the College of Fisheries, Mangalore
- 4. Animal Biotechnology area in collaboration with KVAFSU- Bidar.

Bio-venture fund: Karnataka has set-up a bio-venture fund, with a corpus of Rs. 50 Crores (~USD 8.0+ Million), in partnership with professional venture capital firms. The State will give 26 percent of the fund and the remaining 74 percent will be raised from venture capitalists.

Biotech Skills Development & Research Base: Karnataka home to a strong research and entrepreneurship culture, has invested to develop skilled human resources and educational infrastructure. The institutions are:-

- 1. Institute for Bioinformatics and Applied Biotechnology (IBAB)
- 2. Institute of Agriculture Biotechnology (IABT)
- 3. Centre for Human Genetics (CHG)
- 4. Biotechnology Finishing Schools (BTFS)

Intellectual Property and Innovation Management

In order to promote Intellectual Property Rights (IPR) and Innovation, the Karnataka Biotechnology Team intends tol develop a comprehensive database on patents, with on-line processing. It will establish an exclusive IP Cell to advise entrepreneurs on how to file patents and protect IPR.

Single Window Clearance for Biotechnology Projects

A Single Window Clearing Mechanism is available to clear all projects of the biotechnology industry. The agency will follow up both in principle and actual sanction by the respective departments, and will be serviced by The Karnataka Biotechnology and Information Technology Services (KBITS).

Manufacturing Hub

Karnataka is the preferred choice for global players in Aerospace research and development. Extensive experience and inherent competencies in aerospace make Karnataka the producer of more than a quarter of India's aircraft and spacecraft.

Global giants such as Boeing Research & Technology Center and Airbus Engineering Centre have made Karnataka their base. Karnataka has India's first and top R&D Centers in Aerospace & Defence such as Indian Space Research Organization (ISRO) and the Defense Research and Development Organization (DRDO). The Government of Karnataka has earmarked 984 acres of exclusive industrial area and sector specific SEZ for Aerospace industries near Bangalore International Airport. India's first Aerospace SEZ is operational in Belgaum. Dedicated Aerospace policy (first in India) was drafted by the Government of Karnataka.

Automotive Manufacturing

The State is a manufacturing hub for automotive majors such as Toyota Kirloskar, Volvo, TVS Motors, Tata Marcopolo, L&T Komatsu, Mahindra Reva, BOSCH, Siemens, and JK Tyres.Bosch India, the world's largest automotive supplier, has been headquartered in Bangalore since 1953.

Honda's largest two wheeler manufacturing plant in the world is coming up in Narsapur, Kolar District.

Three existing auto clusters, one industrial valve cluster and one auto component cluster make Karnataka the preferred investment destination for automotive players globally. Two more manufacturing hubs are coming up in Narsapur and Vemagal Industrial Areas in Kolar District. The government is in the process of announcing a Dedicated Automobile Policy

There is a huge potential in automobile manufacturing in Karnataka. The component industry caters to OEMs (all kinds of automobiles such as trucks, cars, SUVs, LCVs, buses, two-wheelers, and tractors) and exports.

With major international OEMs having manufacturing facilities in Karnataka, supply to them from within the country and this region in particular, has given the sector a huge impetus. Components are also being supplied across India to other OEMs from Karnataka. There is a potential to get into the global

supply chain of international OEMs and a subsequent direct export to the after market and other OEMs globally.

Machine Tools Manufacturing

Huge potential is estimated in machine tools manufacturing in Karnataka. Total industry size in India in terms of production is INR 3,600 crore. Bangalore alone produces 60% of the machine tools of India in terms of value, which is estimated at INR 2,160 crore. India's first Integrated Machine Tool industry Park (IMTIP) is set to come up in Karnataka near Bangalore. 100% FDI is allowed in the Machine Tools industry by the Indian Government.

Electronics & Semiconductor Manufacturing

In 2014-15, the domestic production of electronic hardware in the Karnataka stood at US\$ 42.40 bn whereas the export was US\$ 32.18 bn.80 of the 120 companies engaged in chip designing are located in Karnataka. Bengaluru is a global hub for R&D activity in the software industry, which will greatly aid the electronic hardware industry. Karnataka also has the advantage of having maximum skilled/technical manpower. Karnataka is setting up the first ESDM cluster development in Electronics City

Drugs & Pharmaceuticals Manufacturing

Karnataka is home to 221 formulation units and 74 bulk drug units. State's Pharmaceutical industry generated Rs 8k crore in revenue contributing 8% of the country's total revenues, ranking 10th in the number of Pharmaceutical manufacturing. Karnataka exports 40% of its pharma produce. GSK Pharmaceuticals is establishing one of the world's largest drug formulation units in Vemgal, Kolar. Besides there is a huge presence of exclusive Pharma SEZ, Pharma industrial areas and R&D Centres in Karnataka.

Agro & Food Processing

Karnataka leads in the exports of silk in India accounting for approximately 25% of the total Indian export market.

Karnataka is the leader in horticultural products and spices, aromatic and medicinal crops, and tropical fruits. Only Indian State to have all varieties of fruit. It is the largest producer of coffee and cocoa in the country. It is also the second-largest milk producing state, and third and fourth largest producer of

sugar and sugarcane respectively. Karnataka has 5 dedicated Food Parks and one Food Processing SEZ.

Chemicals and Petrochemicals

Karnataka is positioning as major growth centre for chemical industry with presence of 500 companies with leading players like MRPL, BASF, Mangalore chemicals and fertilisers, United Phosphorus, attracting large R&D Centres for Chemicals/Petrochemicals including planned centre of SABIC.

Mangalore in Karnataka is evolving as the epicentre of chemical and petrochemical industries in the state.

Mangalore Refinery and Petrochemicals Limited (MRPL) the state's leading player, and public sector refinery is undergoing major expansion from current 9 mln tons to 15 mln tons refinery capacity.

Mangalore SEZ (MSEZ) is a notified SEZ offering vibrant infrastructure for petrochemical /chemical centric industries

Major investments is underway in MSEZ including Large Aromatic complex (OMPL) and a1.2 mln ton PTA and 0.5 mln ton PET Resin plant by JBF Industries.

MRPL making forays into petrochemical sector by investing into 0.4 mln ton Polypropylene unit next to the SEZ.

Large Infrastructure under Development for Promoting Petrochemical industry.

Pipelines projects: 6 lines from refinery to coastal terminal at New Mangalore Port, with 362-km Petronet pipeline between Mangalore and Bangalore transporting 76,806 kls of Naphtha, Petrol, Kerosene, ATF, Diesel, GAIL Kochi-Kanjira Kode-Bangalore-Mangalore pipeline project for Natural gas supply of 16 MMSCMD under implementation.

Planned infrastructure in MSEZ for supporting industries-Water, Power, Dedicated pipeline and Road connectivity to Port, CETP, proposed facilities like Bulk tank farm and warehouses, central utilities facility, integrated township etc. and seamless connectivity to domestic markets through roads and rail terminals under implementation.

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Possible large availability of feedstock from refinery and Aromatic complex for development and promotion of intermediate and downstream industries in the state- Para Xylene, Benzene, Butane, Propane, Light Naphtha, FCC LPG, Propylene, PET Coke, Heavy Aromatics etc is also under implementation.

The SEZ offers single point clearances, 100% FDI approvals for most projects and several duty and tax incentives/exemptions for all units operating out of SEZ

Textiles

Karnataka produces over 20% of the national garment production and 45% of the national raw silk production. Its silk exports constitute 24% of the total value of silk goods exported from India. Approximately 386,000 manufacturing units are engaged at the organized and unorganized level.

Strength of Karnataka Tourism:

The state has a workforce of approximately 55,000 weaver families with handlooms and over one million powerlooms.

- 1. Presence of over 100 Skill Development Centers and 240 private training centers.
- 2. Presence of a 48-acre Integrated Textile Park at Dodaballapur housing 85 textile units and over 700 powerlooms.

Tourism in Karnataka

Department of Tourism, Government of Karnataka has given the priority to develop infrastructure facilities at tourist destinations. The Department has taken number of initiatives to provide tourist facilities and also aggressive promotion and publicity activities in order to have good market. 319 tourist destinations have been identified by the Department so far.

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Strength of Karnataka Tourism:

State of Karnataka is blessed with heritage sites and is home to wildlife, hill stations. It also has a coastal line of 320 km covering the coastal districts. It is also home to 2 UNESCO World heritage sites namely Hampi and Pattadakallu, while Bidar has been recently included in the world watch monument fund list.

Apart from this, the tourist destinations of Srirangapatna, Belur, Deccan Sultanate, Hoysala architecture have been tentatively listed in the UNESCO world heritage sites.

Karnataka is also known for Medical and Wellness tourism. Some of the important heritage destinations are Hampi, Pattadakallu, Badami, Aihole, Bijapur, Mysore, Hassan, Srirangapatna and Bidar are also located in Karnataka.

Similarly, eco-tourism sites like Kabini, Bannerghatta, Dubare, Devabagh, Bhadra etc., hill stations at Coorg, Chikamagalur, Nandi, BRhills, Kemmangundi, Agumbe are also located in the State. State is also known for religious tourism and important religious centres located Shravangabelagola, Melukote, Dharmasthala, Kukke subramanya, Shringeri etc.,

Initiatives taken up by the department

Karnataka Tourism Vision Group: Karnataka Tourism Vision Group has been constituted for advising DOT for making Karnataka as a preferred destination.

Karnataka Tourism Infrastructure limited:

Government has issued the orders for establishment of Karnataka Tourism Infrastructure Ltd. for comprehensive development of tourist facilities at tourist destinations and also to take up Flagship/PPP model projects.

Cauvery Tourism Development authority:

Cauvery Tourism development authority has been formed under the Chairmanship of Hon'ble Minister Tourism, Government of Karnataka for the comprehensive Development of Tourism facilities in Mysuru, Mandya, Chamarajanagara and Kodagu districts.

New tourism policy 2015-20:

Government has approved the new Tourism Policy (2015-20). Host of incentive and concessitions were offered in the policy including mega tourism projects.

Karnataka Tourism Trade Facilitation Act:

Karnataka Tourism Trade Facilitation Act has been passed by the legislation. Action is being taken for the implementation of Act.

Adoption of Tourist destinations:

This noval initiative was taken up by the Department in collaboration with Corporates. Initially 46 destinations have been identified for adoption by the Corporates. 6 destinations have been adopted by corporates.

Empanelment of Rating Agencies:

In order to assess the quality of service providers in the Tourism industry, the department has empanelled 4 rating agencies.

Transport Infrastructure

India's first private airport in the country establishes at Bengaluru International Airport. Bangalore is India's third city to get metro rail. Phase I is operational and is 42.3 km long. It is proposed to have 134 km of metro rail length by 2017.

The 9th major port in India is the New Mangalore Port with the deepest inner harbor on the western coast of India.

Budgetary Allocations for Infrastructure Sector, especially for improving Air, Rail and Marine connectivity has increased at 63% from US \$ 88.5 million in 2009-10 to US \$ 143 million in 2010-11.

Investment Potential:

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Road:

The Government of India has provided US\$ 34.4- million (! 165-crore) in Viability Gap Funding Grant and Government of Karnataka has allocated US\$ 19.2-million (92-crore) for PPP-based projects on development of roads.

Rail:

Logistics: Road and Rail infrastructure, and growth in presence of third- and fourth-party logistics providers. PPP-based projects for expansion of railway connectivity within the state of Karnataka. The aim it to improve rail connectivity to ports.

A high speed train link is planned to Bangalore International Airport from Bangalore city. 134 km in Mass Rapid Transit System with investment potential of US\$ 5,625-million

Energy

The erstwhile Mysore State had the enviable and glorious position of establishing the first major Hydroelectricity generating station at Shivasamudram as early as 1902 for commercial operation. Karnataka has always been at the forefront of power generation.

Karnataka has a total installed capacity of 11,439.74 MW. i.e., 6.7% of the total power generated in the country. Asia's 1st major hydro electric generating station was set up in Karnataka in 1902.

Karnataka ranks 2nd in installed hydro capacity at 3599.8 MW. Ownership share: State - 57%, Private sector -32%, Central - 11%. Proposed & ongoing projects of 18183 MW

Upgradation of Transmission Network through PPP are:

- 1. Expansion of Transmission Network through joint venture route Distribution
 - 2. Franchise Model to reduce AT&C losses in high loss area
 - 3. Franchise Model in billing collection effecting profit share mechanism
 - 4. Development of smart grids
 - 5. Development of IT initiatives generation

- 6. The development of Solar park for facilitating evacuation of power and providing land to Solar Power Developers
- 7. Development of 700 MW Gas based Power Project in Tumkur under Merchant Power Plant route.
- 8. Encouraging the Private Sector to set up Gas/Coal based small capacity plants between 100MW 300 MW under Merchant Power Plant route by availing/obtaining water from the sewage treatment plants.
- 9. Renovation, Modernization, up rating and life extension of old Thermal and Hydro Power Projects.
- 10.Development of Distributed Generation of 75MW-100MW under bid route on similar lines of case-1 bidding near the load centers by availing/obtaining water from the sewage treatment plants/rain water harvesting plants

. Karnataka is the 3rd largest FDI receiving state in the Country. The state is distinguished as the Knowledge Hub of Asia.

Karnataka also houses largest number of Research and Development Centres in India.

The World Economic Forum has is identified Karnataka among the top 4 innovation hubs in the World. World Bank's Investment Climate Index has ranked Karnataka first for a "Healthy Business Climate and Attracting Investments". The state has the distinction of having built a healthy eco system for Information Technology, Bio Technology, Aerospace, Semiconductor, Electronics and Hardware.

Smart Townships

7 Cities in Karnataka selected for Smart City Challenge with the project of the Indian government to develop 100 smart cities across India.

The proposed cities include

- 1. Tumakuru,
- 2. Huballi,
- 3. Dharawad.
- 4. Mangalore,
- 5. Davangere,
- 6. Shivamogga and
- 7. Belagavi.

Smart Cities initiative will enhance economic vibrancy, inclusiveness, sustainability of major urban centers through maximizing resource utilization by investing in technology, urban infrastructure and local governance.

Karnataka has developed a customized approach for development of Smart Cities focused on wider coverage..

There is huge diverse Investment Opportunities in the following areas under Smart Cities programme in Karnataka.

- 1. City Identity & Economy
- 2. Citizen Participation
- 3. Identify & Culture
- 4. Economy & employment
- 5. Citizen Services
- 6. Safety & Security
- 7. Intelligent Government Services
- 8. Urban Planning
- 9. Mixed use Developments
- 10. Compact
- 11. Public Open Spaces
- 12. Housing and inclusiveness
- 13. Integrated Transport
- 14. Transport
- 15. Walkable
- 16.City Infrastructure
- 17. IT connectivity
- 18. Education
- 19. Health
- 20. Energy & Power
- 21. Energy Supply
- 22. Energy Source
- 23. Energy efficiency
- 24. Water & Waste
- 25. Water Supply
- 26. Water Management
- 27. Waste water management
- 28. Environment and Sustainability
- 29. Air Quality
- 30. Underground Electric wiring

- 31. Sanitation
- 32. Waste Management

Potential Investment areas:-

Opportunities in infrastructure sectors like development of -

- **❖** Airports,
- Sea ports,
- Power Sector
- Highways,
- ❖ Satellite township,
- **A** Exhibition complexes,
- * Automobile,
- ❖ Agro food/processing Centres
- **❖** Information Technology,
- Floriculture,
- * Readymade garments,
- **!** Leather.
- * Telecom.
- **❖** Machine Tools etc.

Compilation of State Profile, taken up under the Core-programme assigned by Addl. Secretary & Development Commissioner (MSME), New Delhi is an annual feature, detailing the status and features of the physical and natural resources, infrastructure, growth of Micro, Small and Medium Enterprises industries etc. This document enveloping almost all the relevant information focussing on the economy of the State is considered as useful for the planners and policy makers and also for existing and prospective entrepreneurs in Karnataka.

CHAPTER-II

GENERAL CHARACTERISTICS OF THE STATE

Brief history of Karnataka

The recorded **history of Karnataka** goes back more than two millennia. Several great empires and dynasties have ruled over Karnataka and have contributed greatly to the history, culture and development of Karnataka.

The impact of kingdoms of Karnataka origin have been felt over other parts of India also. The Chindaka Nagas of central India, Gangas of Kalinga (Odisha), Rashtrakutas of Manyakheta, Chalukyas of Vengi, Yadava Dynasty of Devagiri were all of Kannada origin who later took to encouraging local languages.

The Wodeyars of Mysore, former vassals of the Vijayanagara Empire, leased the state from the Mughal king Aurangzeb in the 15th century. With the death of Krishnaraja Wodeyar II, Haider Ali, the Commander-in-Chief of the Mysore Army, assumed control over the region, until the rule of the kingdom was passed to Tipu Sultan, after Haider Ali's death.

In attempting to contain European expansion in South India, Tipu Sultan, known as the Tiger of Mysore fought four significant Anglo-Mysore Wars, the last of which resulted in his death and the incorporation of Mysore into the British Raj.

After Indian independence, the Wodeyar Maharaja acceded to India. In 1950, Mysore became an Indian state, and the former Maharaja became its rajpramukh, or governor, until 1975.

The Ekikarana movement which started in the latter half of the 20th century, culminated in the States Reorganisation Act of 1956 which provided for parts of Coorg, Madras, Hyderabad, and Bombay states to be incorporated into the state of Mysore.

Mysore state was renamed Karnataka in 1973. The state of Mysore was formed on November 1, 1956 and since then November 1 of every year is celebrated as Kannada Rajyotsava / Karnataka Rajyotsava

Now Karnataka occupies central position in the South India. The capital and largest city is Bangalore (Bengaluru).

Location:

Karnataka is a state in Southern India bordered by the Arabian Sea to the west, Goa to the northwest, Maharashtra to the north, Andhra Pradesh to the east, Tamil Nadu to the southeast, and Kerala to the southwest.

It is situated between 11 degree 31' and 18 degree 45' North latitude and 74 degree 12' and 78 degree 40' East longitde and lies in the west Central part of peninsular India. Its maximum length from north to south is about 760 kms and from east to west is 420kms.

Physical Features:

The State is broadly classified into coastal region and Karnataka plateau. Coastal region is further sub-divided into coastal plains and western ghats. Similarly, Karnataka plateau is further sub-divided into Malnad and Maidan.Greater part of Karnataka lies between 450 and 900 metres above sea level. In some places, however, the height reaches 1800 metres, the highest peak being Mullaiyyanagiri at 1913 metres in Bababudan ranges followed by Kudremukh at 1892 metres.

Area:

The state covers an area of 1, 91,791 square kilometres or 5.83% of the total geographical area of India. It is the eighth largest state in Indian by area. With over 61 million inhabitants (2011), Karnataka is the Ninth largest state by population, comprising 30 districts. Kannada is the most widely spoken and official language of the state.

Bijapur is the biggest district in the State with an area of 17069 Sq.kms covering 8.90% of the area of the State. Kodagu is the smallest district in the State with an area of 4102 Sq.Kms covering 2.14% of the total area of the State.

Getaways

The state has resorts and spas, wildlife parks, heritage sites, temples, adventure sports, derby, golf clubs and multiplex.

Culture & Cuisine

The diverse linguistic and religious ethnicities that are native to Karnataka, combined with their long histories, have contributed immensely to the varied cultural heritage of the state.

Apart from Kannadigas, Karnataka is home to Tuluvas, Kodavas and Konkanis. Minor populations of Tibetan Buddhists and tribes like the Soligas, Yeravas, Todas and Siddhis also live in Karnataka.

The traditional folk arts cover the entire gamut of music, dance, drama, storytelling by itinerant troupes, etc. Yakshagana of Malnad and coastal Karnataka, a classical dance drama, is one of the major theatrical forms of Karnataka.

Contemporary theatre culture in Karnataka remains vibrant with organisations like Ninasam, Ranga Shankara, Rangayana and Prabhat Kalavidaru continuing to build on the foundations laid by Gubbi Veeranna, T. P. Kailasam, B. V. Karanth, K V Subbanna, Prasanna and others. Veeragase, Kamsale, Kolata and Dollu Kunitha are popular dance forms.

The Mysore style of Bharatanatya, nurtured and popularised by the likes of the legendary Jatti_Tayamma, continues to hold sway in Karnataka, and Bangalore also enjoys an eminent place as one of the foremost centers of Bharatanatya.

Karnataka also has a special place in the world of Indian classical music, with both Karnataka (Carnatic) and Hindustani styles finding place in the state, and Karnataka has produced a number of stalwarts in both styles.

The Haridasa movement of the sixteenth century contributed significantly to the development of Karnataka (Carnatic) music as a performing art form. Purandara Dasa, one of the most revered Haridasas, is known as the Karnataka Sangeeta Pitamaha ('Father of Karnataka a.k.a. Carnatic music'). Celebrated Hindustani musicians like Gangubai Hangal, Mallikarjun Mansur, Bhimsen Joshi, Basavaraja Rajaguru, Sawai Gandharva and several others hail from Karnataka, and some of them have been recipients of the Kalidas Samman, Padma Bhushan and Padma Vibhushan awards. Noted Carnatic musicians include Violin T. Chowdiah, Veena Sheshanna, Mysore Vasudevachar, Doreswamy Iyengar and Thitte Krishna Iyengar.

Gamaka is another classical music genre based on Carnatic music that is practiced in Karnataka. Kannada Bhavageete is a genre of popular music that draws inspiration from the expressionist poetry of modern poets. The Mysore school of painting has produced painters like Sundarayya, Tanjavur Kondayya, Venkatappa and Keshavayya. Chitrakala Parishat is an organisation in Karnataka dedicated to promoting painting, mainly in the Mysore painting style.

Saree is the traditional dress of women in Karnataka. Women in Kodagu have a distinct style of wearing the saree, different from the rest of Karnataka. Dhoti, known as Panche in Karnataka, is the traditional attire of men. Shirt, Trousers and Salwar kameez are widely worn in Urban areas. Mysore Peta is the traditional headgear of southern Karnataka, while the pagadi or pataga (similar to the Rajasthani turban) is preferred in the northern areas of the state.

Rice and Ragi form the staple food in South Karnataka, whereas Jolada rotti, Sorghum is staple to North Karnataka. Bisi bele bath, Jolada rotti, Ragi mudde, Uppittu, Benne Dose, Masala Dose and Maddur Vade are some of the popular food items in Karnataka. Among sweets, Mysore Pak, Karadantu of Gokak and Amingad, Belgaavi Kunda and Dharwad pedha are popular. Apart from this, coastal Karnataka and Kodagu have distinctive cuisines of their own. Udupi cuisine of coastal Karnataka is popular all over India.

Government and Administration

Karnataka has a parliamentary system of government with two democratically elected houses, the Legislative Assembly and the Legislative Council.

The Legislative Assembly consists of 224 members who are elected for five-year terms The Legislative Council is a permanent body of 75 members with one-third (25 members) retiring every two years.

The government of Karnataka is headed by the Chief Minister who is chosen by the ruling party members of the Legislative Assembly. The Chief Minister, along with the council of ministers, drives the legislative agenda and exercises most of the executive powers.

However, the constitutional and formal head of the state is the Governor who is appointed for a five-year term by the President of India on the advice of the Union government. The people of Karnataka also elect 28 members to the

Lok Sabha, the lower house of the Indian Parliament. The members of the state Legislative Assembly elect 12 members to the Rajya Sabha, the upper house of the Indian Parliament.

Before reorganisation of the States in 1956, there were only 9 districts in the State. After reorganisation, 10 districts which earlier formed part of Madras, Bombay and Hyderabad States were included in the new State.

Further, Bangalore district has been divided into two separate districts. During 1999 seven more districts have been created. At present there are 30 districts in the State. These are: –

- 1. Bangalore Urban
- 2. Bangalore Rural
- 3. Bagalkot
- 4. Belgaum
- 5. Bellary
- 6. Bidar
- 7. Bijapur
- 8. Chamarajnagar
- 9. Chikmagalur
- 10.Chitradurga
- 11.Chikkaballapura
- 12.Dakshina Kannada
- 13.Davangere
- 14.Dharwad
- 15.Gadag
- 16.Gulbarga
- 17.Hassan
- 18.Haveri
- 19.Kodagu
- 20.Kolar
- 21.Koppal
- 22.Mandya
- 23.Mysore
- 24.Ramanagara
- 25.Raichur
- 26.Shimoga
- 27.Tumkur
- 28.Udupi
- 29. Uttara Kannada
- 30. Yadgiri

For administrative purposes, Karnataka has been divided into four revenue divisions, 49 sub-divisions, 30 districts, 175 taluks and 745 hoblies/revenue circles.

The administration in each district is headed by a Deputy Commissioner who belongs to the Indian Administrative Service and is assisted by a number of officers belonging to Karnataka state services. The Deputy Commissioner of Police, an officer belonging to the Indian Police Service and assisted by the officers of the Karnataka Police Service, is entrusted with the responsibility of maintaining law and order and related issues in each district.

The Deputy Conservator of Forests, an officer belonging to the Indian Forest Service, is entrusted with the responsibility of managing forests, environment and wildlife of the district, he will be assisted by the officers belonging to Karnataka Forest Service and officers belonging to Karnataka Forest Subordinate Service.

Sectoral development in the districts is looked after by the district head of each development department such as Public Works Department, Health, Education, Agriculture, Animal Husbandry, etc.

The judiciary in the state consists of the Karnataka High Court (Attara Kacheri) in Bangalore, district and session courts in each district and lower courts and judges at the taluk level.

Politics in Karnataka has been dominated by three political parties, the Indian National Congress, the Janata Dal (Secular) and the Bharatiya Janata Party Politicians from Karnataka have played prominent roles in federal government of India with some of them having held the high positions of Prime Minister and Vice President.

The official emblem of Karnataka has a Ganda Berunda in the centre. Surmounting this are four lions facing the four directions, taken from the Lion Capital of Ashoka at Sarnath. The emblem also carries two Sharabhas with the head of an elephant and the body of a lion

Climate & Rainfall:

Karnataka has a tropical climate with three major seasons warm and dry from February to May, Mansoon from June to October and winter from November to January. The state has a salubrious climate, cosmopolitan culture and a global image, which makes the state an ideal destination to live and work.

Different parts of the State have different types of climate. Coastal areas, Western Ghats and malnad areas have moist rainy monsoon climate. Interior central and northern districts have semi arid climate. Bellary, Bijapur region has arid and very warm climate.

The year is divided into four seasons -

- 1) Winter or cold weather season (January February)
- 2) Summer or hot weather (March-May)
- 3) South West Monsoon Season (June-September)
- 4) North East Monsoon Season (October December)

Further, Meteorologically, Karnataka is divided into three zones namely,

- 1. Coastal Zone.
- 2. North Interior Zone and
- 3. South Interior Zone.

Of these, the coastal zone receives the heaviest rainfall with an average rainfall of about 3,638.5 mm (143 in) per annum, far in excess of the state average of 1,139 mm (45 in). Agumbe in the Shivamogga district receives the second highest annual rainfall in India.

The highest recorded temperature was 45.6 °C (114 °F) at Raichur and the lowest recorded temperature was 2.8 °C (37 °F) at Bidar.

RIVERS:

Karnataka is blessed with abundant water wealth in the numerous rivers and streams. Ground water is also available to some extent. Cauvery and Krishna are the principal rivers flowing in the State. A number of tributaries of these two major rivers also flow in the State. Length of some of the major rivers in the State is given as follows:

RIVE	<u> </u>	LENGTH IN THE STATE IN KMS
1.	Krishna	483
2.	Ghataprabha	216
3.	Malaprabha	304
4.	Bhima	290
5.	Tungabhadra	381
6.	Vedavathi	293
7.	Cauvery	320
8.	Hemavathi	245
9.	Kabini	230
10.	Manjra	116
11.	Kali	184
12.	Sharavathi	128
13.	Aghanashini	121
14.	Bedti	161
15.	Netravathi	96
16.	Uttara Pinakini	61
17.	Dakshina Pinkaini	79
18.	Palar	93
SOUR	CE : Karnataka Gazetteer - Pa	rt I

Forests: -

Karnataka is endowed with some of the most magnificent forests in the country. From the majestic evergreen forests of the Western Ghats to the scrub jungles of the plains, a wide variety of habitats exist with very typical flora and fauna, some of them endemic to the region.

The Western Ghats, which covers about 60% of forest area of Karnataka, is recognized as one of the 18-mega bio-diversity hotspots of the world. The total recorded forest area of the State is 38,284.30 Sq. K. M., constituting 20% of the geographical area.

The Western Ghats forests are rich in fauna and floral diversity and are very valuable as both genetic and natural resources. Manyplant and animal species are endemic to forests in the State. Several economically important species such as Sandalwood (Santalam album), Rosewood (Dalbergia latifolia), Teak (Tectona grandis), Honne (Pterocarpusmarsupium), White Cedar (Dysoxylon malabaricum) and many non-timber and other medicinal plant species grow naturally in the forests of Karnataka.

Karnataka has a protected area network of 5 national parks (2431.300sq.km.), and 21 wildlife sanctuaries (3887.827sq.km), covering nearly 16% of its forest area. The forests of Karnataka are rich in biodiversity and support 25% of the elephant population and 10% of the tiger population of the country, in addition to numerous species of mammals, birds, butterflies, amphibians, reptiles, flowering plants etc.

The details of extent and types of forest and the classified forest area in Karnataka is shown in the below tables.

The extent and types of forest are as follows:

Sl.	Type	Extent(ha.)	Percentage
No			
1	Evergreen and Semi-evergreen	5,80,000	15.11
2	Moist Deciduous	5,78,000	14.96
3	Dry Deciduous	7,27,000	18.64
4	Scrub and Thorny	8,18,000	21.11
5	Un-wooded	11,25,430	30.18
	Total	38,28,430	100.00

Source: Karnataka Forest Department, Bangalore

The forest area in Karnataka can be classified as follows

Sl No.	Type of forests	Area (ha.)
1	Reserved Forests	28,68,996
2	Protected Forests	3,93,072
3	Un-classed Forests	5,23,100
4	Village Forests	12,420
5	Forests in private lands	30,842
	Total	38,28,430

Source: Karnataka Forest Department, Bangalore

Demographics

At the 2011 census, Karnataka's ten largest cities, sorted in order of decreasing population, were Bengaluru, Hubballi-Dharwad, Mysuru, Kalaburagi, Mangaluru, Belagavi, Davangere, Ballary, Vijayapur and Shivamogga. Bengaluru Urban, Belagavi and Mysore were the most populous districts, each of them having a population of more than three million. Bangalore Rural and Kodagu districts had a population of less than one million

According to the 2011 census of India, he total population of Karnataka was 61,095,297 of which 30,966,657 (50.7%) were male and 30,128,640 (49.3%) were female, or 1000 males for every 973 females. This represents a 15.60% increase over the population in 2001.

The population density was 319 per km² and 38.67% of the people lived in urban areas. The literacy rate was 75.36% with 82.47% of males and 68.08% of females being literate. 84.00% of the population were Hindu, 12.92% were Muslim, 1.87% were Christian, 0.72% were Jains, 0.16% were Buddhist, 0.05% were Sikh and 0.02% were belonging to other religions.0.27% of the population did not state their religion .

Kannada is the official language of Karnataka and spoken as a native language by about 66.26% of the people as of 2001. Other linguistic minorities in the state were Urdu (10.54%), Telugu (7.03%), Tamil (3.57%), Marathi (3.6%), Tulu (3.0%), Hindi (2.56%), Konkani (1.46%), Malayalam (1.33%) and Kodava Takk (0.3%). In 2007 the state had a birth rate of 2.2%, a death rate of 0.7%, an infant mortality rate of 5.5% and a maternal mortality rate of 0.2%. The total fertility rate was 2.2. In the field of specialty health care, Karnataka's private sector competes with the best in the world.

Karnataka has also established a modicum of public health services having a better record of health care and child care than most other states of India. In spite of these advances, some parts of the state still leave much to be desired when it comes to primary health care.

District wise statistics of population is depicted in the below table.

Sl.No.	State/District				No. of I	lliterates	
		Population 2001	Population 2011	Diff.	2001	2011	Diff.
1	BELGAUM	42.15	47.78	5.64	12.85	10.88	1.98
2	BAGALKOT	16.52	18.91	2.39	5.92	4.98	0.94
3	BIJAPUR	18.07	21.75	3.68	6.54	6.14	0.40
4	BIDAR	15.02	17.00	1.98	4.93	4.30	0.63
5	RAICHUR	16.70	19.25	2.55	7.10	6.53	0.57
6	KOPPAL	11.96	13.91	1.95	4.53	3.92	0.62
7	GADAG	9.72	10.65	0.93	2.83	2.33	0.50
8	DHARWAD	16.04	18.47	2.43	3.94	3.22	0.71
9	UTTARA KANNADA	13.54	14.37	0.83	2.76	2.06	0.70
10	HAVERI	14.39	15.99	1.59	3.98	3.16	0.82
11	BELLARY	20.27	25.32	5.05	7.28	7.04	0.23
12	CHITRADURGA	15.18	16.60	1.42	4.66	3.88	0.78
13	DAVANAGERE	17.91	19.47	1.56	5.05	4.12	0.93
14	SHIMOGA	16.43	17.56	1.13	3.66	3.08	0.58
15	UDUPI	11.12	11.78	0.66	1.87	1.48	0.40
16	CHIKMAGALUR	11.41	11.38	-0.03	2.79	2.15	0.63
17	TUMKUR	25.85	26.81	0.97	7.52	6.24	1.29
18	BANGALORE	65.37	95.89	30.52	9.80	9.90	-0.10
19	MANDYA	17.64	18.09	0.45	6.08	4.92	1.16
20	HASSAN	17.22	17.76	0.55	4.78	3.91	0.87
21	DAKSHINA KANNADA	18.98	20.84	1.86	2.77	2.14	0.63
22	KODAGU	5.49	5.55	0.06	1.05	0.88	0.18
23	MYSORE	26.41	29.95	3.54	8.46	7.43	1.03
24	CHAMARAJANAGAR	9.65	10.21	0.56	4.17	3.60	0.57
25	GULBARGA	21.75	25.65	3.90	12.98	7.60	5.37
26	YADGIR	9.56	11.73	2.17	0.00	4.70	-4.70
27	KOLAR	13.87	15.40	1.53	8.18	3.54	4.65
28	CHIKKABALLAPURA	11.49	12.54	1.05	0.00	3.38	-3.38
29	BANGALORE RURAL	8.51	9.87	1.36	5.84	1.92	3.92
30	RAMANAGARA	10.31	10.83	0.52	0.00	3.02	-3.02
	State Total	528.51	611.31	82.80	152.33	132.46	19.88

Literacy rate

As per the 2011 census, Karnataka had a literacy rate of 75.60%, with 82.85% of males and 68.13% of females in the state being literate. In 2001 the literacy rate of the state were 67.04%, with 76.29% of males and 57.45% of females being literate.

Literacy rate increased from 66.64 percent in 2001 to 75.60 percent in 2011. Urban male literacy rate has crossed 90 percent mark. Fertility rates are falling at a fast pace, the State's record being 1.8 children per women of productive age.

The state is home to some of the premier educational and research institutions of India such as the Indian Institute of Science, the Indian Institute of Management, the National Institute of Technology Karnataka and the National Law School of India University.

Density

Top three districts in density of population per sq km are Bangalore Urban (4,378), Dakshina Kannada (457), Bangalore Rural (431) and lowest density districts are Chickmagalur (158), Uttara Kannada (140) and Kodagu (135).

Population density in other districts is: Mysore (441), Dharwad (434), Kolar (384), Mandya (365), Belgaum (356), Haveri (331), Davangere (329), Bidar (312), Udupi (304), Ramanagaram (303), Chickballapur (298), Bagalkot (288), Hassan (261), Tumkur (253), Koppal (250), Gulbarga (233), Gadag (229), Raichur (228), Yadgir (224), Bijapur (207), Shimoga (207), Chamarajangar (200) and Chitradurga (197).

Economy

Karnataka has been a middle -ranking State among 15 major States of India on a variety of development indicators. During the 11th five year plan perod, the State's economy has gown by 8.0 percent while the country's economy as per CAGR was 7.9 percent. GDP of the State during 2011-12 was

Rs.2,97,964 crores at constant prices. The services sector recorded 10.6 percent growth rate. The PC GSDP at current prices was estimated to be Rs.68468 during 2011-12.

Karnataka recorded the second highest level of percapita development expenditure during 2010-11, being Rs.7853/- while all State's average was Rs.,6055 Per Capita plan expenditure has been Rs.6345/-.

Karnataka had an estimated GSDP (Gross State Domestic Product) of about US\$58.23 billion in the 2008-09 fiscal year. The state registered a GSDP growth rate of 7% for the year 2007-2008. Karnataka's contribution to India's GDP in the year 2004-05 was 5.2%. With GDP growth of 56.2% and per capita GDP growth of 43.9%, Karnataka is now on the 15th position among all states. At the end of 2004, the unemployment rate in Karnataka was 4.94% compared to the national rate of 5.99%. For the fiscal year 2006-07, the inflation rate in Karnataka was 4.4%, compared to the national average of 4.7%. In 2004–05, Karnataka had an estimated poverty ratio of 17%, less than the national ratio of 27.5%.

Nearly 65% of the workforce in Karnataka is engaged in agriculture and related activities. A total of 12.31 million hectares of land, or 64.6% of the state's total area, is cultivated. Much of the agricultural output is dependent on the southwest monsoon as only 26.5% of the sown area is irrigated.

CHAPTER-III

INDUSTRIAL PROFILE

'Industrialise or Perish' was the popular slogan which was coined in Karnataka State (Mysore State as it was then called) by the outstanding Engineer - Administrator, Bharat Ratna Sir.M. Visveswarayya long before independence.

This sums up the concern and efforts of the State for promoting industrial activities. And truly, industrial activities in the form of small and tiny ventures like manufacturing of agricultural implements, earthen pots, silk reeling and weaving, bullock cart making, brass and copper utensils making etc., were sustained in the State before independence.

But organised efforts to promote and develop modern small scale industries (now Micro, Small and Medium Enterprises) can be said to have been started in the State after independence only.

So far as registered small scale industries (now Micro, Small and Medium Enterprises) are concerned, the bench mark period started from 1961 only, because it was only in 1960 the system of registration with the Directorate of Industries and Commerce started.

Present Industrial Scenario

Karnataka has been spearheading the growth of Indian industry, particularly in terms of high-technology industries in the areas of electrical and electronics, information & communication technology (ICT), biotechnology and, more recently, nanotechnology.

The industrial structure of Karnataka presents a blend of modern hightech capital goods and knowledge intensive industries on the one hand and traditional consumer goods industries on the other. Given this, this chapter throws light on the industrial growth of Karnataka.

Karnataka is considered as one of the most desired industrial locations in the country for setting up industries. The state has been consistently pursuing progressive outlook to meet the changing needs of the State's economy and industry.

Karnataka is also considered to be one of the countries' Industrialized States comprising of large public sector industrial undertakings, large privately owned industries like steel sugar, textiles etc.,. In recent times, Karnataka has emerged as the leader in IT & BT To provide opportunities across the State for industrial development and enable scope for large scale local employment through private sector.

Karnataka evolved as the manufacturing hub for some of the largest public sector industries of India after independence. Hindustan Aeronautics Limited which is dedicated to research and development activities for indigenous fighter aircraft for the Indian Air Force employes over 9,500 employees making it one of the largest public sector employers in Karnataka.

Other heavy industries such as National Aerospace Laboratories, Bharat Heavy Electricals Limited, Indian Telephone Industries, Bharat Earth Movers Limited (BEML), Bharat Electronics Limited, Hindustan Machine Tools and Indian subsidiaries of Volvo and Toyota are also headquartered in Bangalore.

India's national space agency Indian Space Research Organization (ISRO) is headquartered in Bangalore and employs approximately 20,000 people. TVS Motors has a motorcycle manufacturing plant at Mysore and Tata Motors at Dharwad. Karnataka state has many companies engaged in manufacturing of electrical equipments and machinery like Kirloskar, ABB, Kavika, Larsen and Toubro etc.

This may be due to the location of the Central Power Research Institute (CPRI) at Bangalore. Many multinational companies (MNC) have set up their manufacturing units in Karnatka like BASF, Bosch.

The Karnatak state has many sugar factories in northern region and also edible oil processing units. There are many pharmaceutical factories and textile processing units in state of Karnataka.

The steel producing units of Kirloskar, Jindal, Kalyani groups are located in the state. Vishwesharaiya steel plant at Bhadravati is run by SAIL, Also there is a pellet making factory at Panambur of Kudremukha company.

There is petroleum refinery, Mangalore Refinery and Petrochemicals Limited (MRPL) at Katipalla in Dakshina Kannada district. There is also fertiliser factory MCF near New Mangalore port. There are many roof tile and Beedi manufacturing firms in coastal districts of the state.

There are about 1054 large & medium manufacturing industries in various sectors in the State which include Machine Tool, Steel, Cement, Automotive and Aerospace industries.

In addition, about 2500 IT companies including 700 MNCs, about 600 Textile units and a large Agro based industries providing substantial employment opportunities to the youth are thriving in the State.

The State is home to major automotive industries such as Toyota Kirloskar, Volvo, Honda Motors, TVS, Tata-Marco polo, L&T Komatsu, Mahindra Reva, Scannia, Bosch, Siemens, JK Tyres etc.

It is also the Biotech Capital of India and home to nearly 60% India's biotech units. It has planned dedicated Biotechnology parks and centers such as Nutri / Nutraceutical and Phyto-Pharmaceutical Park (N2P2) at Mysore, Marine Biotech Park at Mangalore, Agri Biotech Park at Dharwad and Vivarium (Animal House) at Bidar. Some of the key players such as Biocon, Glaxo Smith Kline Pharmaceuticals Ltd., Jubilant Life Sciences Ltd. and Astra Zeneca India have established their key centers in the State.

With the presence of HAL, NAL, AIRBUS, BOEING, ISRO, HCL, Honeywell, UTC Aerospace, Goodrich Corporation etc and with a good ecosystem the State is emerging as the favoured global destination in Aerospace Sector.

Investment Approvals

In order to provide exclusive attention for industrial promotion / facilitation activities in the state, Government of Karnataka has enacted the Karnataka Industries (Facilitation) Act, 2002. This act is brought to provide for the promotion of industrial development and facilitation for the new investments and to simplify the regulatory frame work by reducing procedural requirements and rationalizing documents and to provide for an investors friendly environment by providing single point guidance and assistance to promoters to ensure smooth and speedy implementation of projects in the State of Karnataka.

Three committees are constituted by act for approval of the projects. The committee's decision is final and binding on all the concerned departments or authorities. The details of the committees are as follows:

State High Level Clearance Committee (SHLCC) chaired by Hon'ble Chief Minister and meets once in two months to approve projects with investments above Rs.100 crores (USD 16.37 Million) (Constitution of the Committee)

State Level Single Window Clearance Committee (SLSWCC) chaired by Chief Secretary to the Government and meets every month to approve projects with investments between Rs.15 crores to Rs.100 crores (USD 2.45 to 16.37 Million) (Constitution of the Committee)

District Level Single Window Clearance Committee (DLSWCC) chaired by the Deputy Commissioner of the districts meets atleast once in month to approve projects with investments up to Rs.15 crores (USD 2.45 Million) (Constitution of the Committee)

Karnataka Udyog Mitra (KUM) is the nodal agency at the State level and acts as the Secretariat for the SHLCC and SLSWCC for grant of approvals and infrastructure facilities for project proposal. The District Industries Centre's are the nodal agencies at the district level to undertake investment promotional activities and to render necessary guidance and assistance to entrepreneur.

Table : Projects approved by State Level Single Window Clearance Committee

Year	Approved Projects	Investments (Rs. In crore)	Employment (In Nos.)
2006-07	871	11511.44	612620
2007-08	727	10266.92	349015
2008-09	310	5181.62	135623
2009-10	359	7749.88	115932
2010-11	439	6879.64	110505
2011-12	_ 410	5328.50	65549
2012-13	675	9350.79	141821
2013-14	209	3558.21	43759
2014-15 (Up to Dec 2014)	30	1079.08	16435

Source: Karnataka Udyog Mitra

Table : Foreign Direct Investment Inflow to Karnataka (US \$ Million)

	Year .	Karnataka -	All India	Percentage
	2007 – 08	1581	23901	6.61
	2008 – 09	2026	27331	7.41
	2009 – 10	1029	25834	3.98
	2010 – 11	1332	19427	6.86
	2011-12	1533	35121	4.36
•	Total (2007-12)	7501	131614	5.70
	2012 – 13	1023	22424	4.56
	2013 – 14	1892	24299 •	7.78
	2014-15 (upto Nov.2014)	1498 .	18884 .	7.93
	•	14174	236586	5.99

Source: KCTU, Bangalore

Micro, Small & Medium Enterprises

Micro, Small & Medium Enterprises (MSMEs) form an important and growing segment of Karnataka's industrial sector. As per the MSME Act 2006, MSME units have been categorized broadly into those engaged in manufacturing and those providing /rendering services. Under the Act, Micro, Small and Medium Enterprises (MSMEs) are classified as under.

	Investment in Plant &	Investment in Equipment	
Enterprises	Machinery	(Service)	
	(Manufacturing)		
Micro	Up to Rs. 25 lakh	Up to Rs. 10 lakh	
	Above Rs.25 lakh up to	Above Rs.10 lakh	
Small	5 crore	uptoRs.2 crore	
	Above Rs.5	Above Rs.2	
Medium	croreuptoRs.10 crore	croreuptoRs.5 crore	

Micro, Small and Medium Enterprises occupies a place of prominence in the Karnataka economy in view of its massive potential for employment, growth and exports.

MSME sector is a vibrant and vital sector of the State economy in terms of employment generation and share of production. There are nearly 4.81 lakh registered MSMEs in Karnataka as on 31.03.2014 providing employment to over 28 lakh persons with a total investment of around `18,635 crore

In the current year 2014-15, 28743, MSME units have been registered in the State with an investment of Rs.279292.24 lakhs by providing employment to 175473 persons. When compared to the same period of previous year 2013-14 there is 10.69% increase in No. of Units registered, and 4.86% increase in the no. of persons employed.

Under this, 26005 Micro units, 2661 Small and 77 Medium industries have been registered with an investment of Rs.87609 lakhs, Rs.138515.60 lakhs and Rs.53167.64 lakhs respectively by providing employment to121599, 47311 and 6563 persons respectively.

During 2013-14, 25966 MSME Units have been registered in the State with an investment of Rs. 285056 lakh by providing employment to 167347 persons. Details of the MSMEs registered in Karnataka are provided in below Table

Table: MSMEs registered in Karnataka

Year	Units (Nos.)	Investment	(Rs.	In	Employment
		Lakhs			(Nos.)
2011-12	21021	159641			28387
2012-13	24206	216851			155551
2013-14	25966	285056			167347
2014-15	19721	191905			122286
Up to Dece.2014					

Source: Directorate of Industries and Commerce.

As compared to 2012-13, there is a 7.27% increase in the number of units registered, 31.45 % increase in investment and 7.58 % increase in number of persons employed during 2013-14.

During the first Nine months of the current year (April to Dec.2014), 19721 units have been registered with an investment of Rs. 191905 lakh by providing employment to 122286 persons.

When compared to previous year for the same period (April to Dec.2013), there is an increase of 12.30 % in the number of units registered under MSME with 4.50% increase in investment and 6.69 % increase in the employment generated. The number of units registered every year in Karnataka has been increasing since 2007-08.

Trends in Industrial Production

Trends in industrial production can be analyzed by considering the changes in the index of industrial production (IIP). Towards calculating the index, the weights of different sectors and sub-sectors are assigned based on their contribution to Gross Value Added (GVA) of industry in the base year. The manufacturing sector has the highest weight of about 81.1% followed by electricity sector (11.8%) and the mining sector (6.9%).

The general index of industrial production (IIP) of Karnataka covering mining, manufacturing and electricity sectors for 2013-14 stood at 175.59. The sector wise indices for the period from 2011-12 to 2013-14 with base year as 2004-05 are presented in below mentioned table.

The overall organized industrial sector of Karnataka has registered 3.66% growth in 2013-14 as compared to 2012-13. Within the organized industrial sector, Electricity sector has boosted up with highest growth of 11.49% followed by the manufacturing sector (2.92%) and mining sector registered negative growth of (-20.48%). Contraction in mining activities and deceleration in manufacturing output moderate growth was observed in industrial sector.

The average annual growth rates for the overall organized industry mainly for mining, manufacturing and electricity sectors for the period from 2005-06 to 2013-14with base year as 2004-05 are presented in the table given below.

The compounded average growth rate (CAGR) for this period for the entire organized industry was about 6.5% whereas it was 7.0% for manufacturing and 8.1% for electricity. A decline of 12.9% was seen in the output of the State's mining sector. Index of Industrial Production of Karnataka: 2011-12 to 2013-14 is given in the below table.

Table: Index of Industrial Production of Karnataka: 2011-12 to 2013-14

Base Year: 2004-05

Sector	Weight	2011-12	2012-13	2013-14
	10.0001	49.79	36.42**	28.96
Mining	69.8321	(-57.90)	(-26.85)	(-20.48)
		165.05	179.19	184.44
Manufacturing*	811.3591	(2.41)	(8.56)	(2.92)
	110,000	170.85	180.59	201.34
Electricity	118.8089	(15.47)	(5.70)	(11.49)
		157.69	169.38	175.59
General Index	1000.000	(0.69)	(7.41)	(3.66)

Source: Economic Survey of Karnataka 2014-15

Note: 1) Figures in brackets indicate percentage changes over the

previous year. 2) * Provisional figures.

Food Parks

Food Parks with the Ministry of Food Processing Industries, Govt of India, under the 10th five year plan, the Ministry of Food Processing Industries, Govt. of India had approved the establishment of food parks in Malur in Kolar District, Hiriyur in Chitradurga District, Bagalkot in Bagalkot District and Jewargi in Gulbarga District.

Potential Areas for Investment

Agro & Food Processing,
Readymade garments,
Chemical industry,
Pharmaceutical,
Engineering (Automobile, Aerospace & Precision tools)
Electronics
Electricals
Gems & Jewellery
Leather Products
Handicrafts
Marine products

MSE-Clusters in Karnataka

The Cluster Development Programme (CDP) is to contribute to the overall performance and collective efficiency of the Small and Medium Enterprise clusters for sustainable development by assisting selected local communities of firms and associated institutions in the clusters.

This entails the implementation of cluster support initiative in selected pilot clusters as well as assistance to central and local institutions in their programmes of cluster modernisation and restructuring.

Micro and Small Enterprises Cluster Development Programme has been launched by the Ministry of Micro, Small and Medium Enterprises.

The Karnataka Council for Technology Up gradation [KCTU] will be a monitoring agency on behalf of the State Government.

The following are the District -wise identified clusters in Karnataka are

Sl.No	District	Cluster Place	Cluster Activity
1	Bengaluru	Bengaluru	Machine Tools
2	Bengaluru	Bengaluru	Power loom
3	Bengaluru	Bengaluru	Electronic Goods
4	Bengaluru	Bengaluru	Readymade Garments
5	Bengaluru	Bengaluru	Light Engineering
6	Bengaluru	Bengaluru	Leather Products
7	Belgaum	Belgaum	Foundry
8	Belgaum	Belgaum	Power loom
9	Bellary	Bellary	Jeans Garments
10	Bijapur	Bijapur	Oil Mills
11	Bijapur	Bijapur	Grape Processing
12	Dakshina Kannada	Mangalore	Food Products
13	Davangere	Davangere	Puffed Rice
14	Darwad	Hubli, Dharwad	Agriculture Implements and Tractor Trailer
15	Darwad	Darwad	Industrial Valves
16	Gadag	Gadag Betgeri	Power loom
17	Gulburga	Gulburga Gadag belt	Dal Mills
18	Hassan	Arasikere	Coir & Coir Products
19	Koppal	Gangavathi	Rice Mills
20	Mandya	Mandya	Jagggery
21	Mysore	Mysore	Food Products
22	Mysore	Mysore	Silk
23	Raichur	Raichur	Leather Products
24	Shimoga	Shimoga	Foundry
25	Shimoga	Shikaripura	Rice Mills
26	Shimoga	Shimoga	Rice Mills

Addl. Secretary and Development Commissioners(MSME) New Delhi has approved 65 clusters which are functioning at various stages.

The following are the list of 65 Clusters approved by Government of India

- •
- 1. Electronic System Design [CLIK], Bangalore Urban Dist.
- 2. Electronic Cluster (ELCIA), Bangalore.
- 3. Jewellary Cluster, Guledagudda, Bagalkote Dist.
- 4. Jaggery Cluster, Hipparagi, Bagalkote District.
- 5. Leather Processing Cluster, Mudhol, Bagalkote District.
- 6. Wooden Furniture Cluster, Angol, Belgaum Dist.
- 7. Kudchi Jaggery Cluster, Belgaum District
- 8. Foot Diamond Leather Cluster, Madhabavi, Belgaum Dist.
- 9. Machine Tool and Engineering Cluster, Udyambag, Belgaum District.
- 10. Readymade Garments Cluster, Ramdurga, Belgaum District
- 11. Birds Power loom Cluster, Ramdurga, Belgaum District.
- 12. Jaggery processing Cluster, Chikkodi, Belgaum Dist.
- 13. Bricks Processing Cluster, Khanapura, Belgaum District.
- 14. Athani Raisins processing cluster, Athani, Belgaum dist
- 15. Rice Mill Cluster, Siraguppa, Bellary District
- 16. Artificial Jewellary Cluster, BasavaKalyana, Bidar Dist.
- 17. Bidar Auto Cluster, Bidar
- 18. Pharmaceuticals Cluster, Kolhar Indl. Area, Bidar Dist.
- 19. Embroidery Garmenting & Zari Cluster, Mylor, Bidar Dist.
- 20. Bidri Art & Craft works Cluster, Bidar Dist.
- 21. Raisin Cluster, Bijapur District

- 22. Embroidery and Readymade Garment Cluster, Doddamudahalli, Chamarajanagara District.
- 23. Food Products Cluster, Sakrayapatna, Chickmagalur District.
- 24. Wooden Furniture Cluster, Gavanahalli, Chikkamagalore Dist.
- 25. Automobile Repair & Servicing, Kadur, Chikkamagalore Dist.
- 26. Handloom Cluster, Konnampalli, Chinthamani Tq, Chikkaballapur Dist.
- 27. Silk Reeling & Twisting Cluster, Chikkadasarahalli, Chikkaballapur
- 28. Handloom Weavers Cluster, Thimmasandra, Chinthamani Tq, Chikkaballapur
- 29. Wool Cluster, Challakere, Chitradurga Dist.
- 30. Wool Cluster, Hosadurga, Chitradurga Dist.
- 31. Puffed Rice Cluster, Holalkere Road, Chitradurga District
- 32. Printing Cluster, Hubli, Dharwad Dist.
- 33. Woolen Knitted Garments Cluster, Hubli, Dharwad Dist.
- 34. Heat Treatment & Engineering Cluster, Hubli, Dharwad District.
- 35. Auto Components Cluster, Hubli, Dharwad District.
- 36. Readymade Garment Cluster, Hubli, Dharwad District.
- 37. Wooden Furniture Cluster, Betageri, Gadag District.
- 38. Spices Manufacturing Cluster, Betageri, Gadag Dist.
- 39. Handloom Cluster, Betageri , Gadag Dist.
- 40. Stone Carving Cluster, Belagatti, Gadag District.
- 41. Readymade Garments, Shigli, Gadag District.
- 42. Broom Cluster, Betageri, Gadag Dist.
- 43. Printing Cluster, Betageri, Gadag Dist
- 44. Wooden Furniture Cluster, Mundargi, Gadag

- 45. Food Processing Cluster, Narasapura, Gadag.
- 46. Nava jyothi Readymade Garments Cluster, Betageri, Gadag Dist
- 47. Navodaya Powerloom Cluster, Shigli halli, Shiratti Tq, Gadag Dist.
- 48. Readymade Garment, Narasapura, Gadag.
- 49. Food Cluster, Gulbarga District
- 50. Rice Mill Cluster, Mandya Dist.
- 51. Kaveri Packaging Cluster, Mandya District.
- 52. Agricultural Implements Cluster, K.M.Doddi, Mandya District.
- 53. Printing Cluster, Mysore Dist.
- 54. Engineering Cluster, Mysore Dist.
- 55. Auto Cluster, Mysore Dist.
- 56. Silk Textile Cluster, Kudur, Magadi Tq.
- 57. Jewellary Cluster, Shimoga
- 58. Desiccated Coconut Cluster, Tiptur, Tumkur Dist.
- 59. Printing Cluster, Tumkur District
- 60. Printing cluster Udupi.
- 61. Cashew Processing Cluster, Murur, Kumta Tq, Uttarakannada District.
- 62. Food Cluster, Yogamandira, Sirsi, Uttarakannada District.
- 63. Readymade Garments Cluster, Rangampet, Yadgir Dist.
- 64. Wooden Furniture Cluster, Hunasagi, Yadgir Dist.
- 65. Automobile Servicing Cluster, Hunasagi, Yadgir Dist.

Artisans

In addition, there are number of artisan Clusters engaged in manufacturing various products in Karnataka. The details are as under:-

S1	District	Cluster Place	Cluster Activity
No			
1	Bagalkote	Ilkal	Textiles Handlooms
2	Bengaluru	Bengaluru	Metal Images Classical
3	Bengaluru Rural	Magadi	Textiles Handlooms
4	Bengaluru Rural	Doddaballapura	Textiles Handlooms
5	Bengaluru Urban	Bengaluru Urban	Agarabathi
6	Bengaluru Urban	Bengaluru Urban	Grass, Leaf, Reed & Fibre
7	Bengaluru Urban	Bengaluru Urban	Jewellery
8	Bengaluru Urban	Bengaluru Urban	Metalware
9	Bengaluru Urban	Bengaluru Urban	Rugs & Duries
10	Bengaluru Urban	Bengaluru Urban	Wood Carving
11	Bengaluru Urban	Bengaluru Urban	Shopping bag/ fancy Items
12	Bengaluru Urban	Bengaluru Urban	Toyes and decoration pieces
13	Bengaluru Urban	Bengaluru Urban	Brass and Copper Art ware
14	Bengaluru Urban	Bengaluru Urban	Dolls from pulp
15	Bengaluru Urban	Bengaluru Urban	Earthier ware/pottery
16	Bengaluru Urban	Bengaluru Urban	Embroidery by hand
17	Bengaluru Urban	Bengaluru Urban	Printing of cloth by hand

18	Bengaluru Urban	Bengaluru Urban	Printing of cloth by hand
19	Bengaluru Urban	Bengaluru Urban	Toyes and decoration pieces
20	Bengaluru Urban	Bengaluru Urban	Wood Furniture & Fixtures
21	Bengaluru Urban	Anekal	Textiles Handlooms
22	Belgaum	Belgaum	Dolls & Toys
23	Belgaum	Belgaum	Horn & Bone
24	Belgaum	Belgaum	Metalware
25	Belgaum	Belgaum	Artistic Chap pals by hand
26	Belgaum	Gokak	Dolls & Toys
27	Belgaum	Khanapur	Pottery & Clay
28	Belgaum	Khanapur	Terracotta
29	Belgaum	Khanapur	Textiles Hand Embroidered
30	Bidar	Bidar	Cane and Bamboo
31	Bidar	Bidar	Bidiwork
32	Bijapur	Bijapur	Gold/Silver gift Items
33	Bijapur	Bijapur	Textiles Handlooms
34	Chamarajnagar	Kollegal	Textiles Handlooms
35	Chitradurga	Chitradurga	Textiles Handlooms
36	Chitradurga	Malladihalli	Textiles Hand Printed
37	Chitradurga	Molakalmur	Textiles Hand Printed
38	Dakshina Kannada	Bantvala	Metalware
39	Dakshina Kannada	Mangalore	Jewellery
40	Dakshina Kannada	Mangalore	Metalware
41	Dharwad	Dharwad	Textiles Hand Embroidered
42	Dharwad	Dharwad	Textiles Handlooms
43	Dharwad	Navalgund	Rugs & Duries
44	Gadag	Gadag	Metalware

45	Gulburga	Shahpur	Textiles Handlooms
46	Hassan	Sharvanabelagola	Metalware
47	Hassan	Sharvanabelagola	Toys and Decorative pieces
48	Kodagu	Mercara	Textiles Hand Embroidered
49	Kodagu	Mercara	Cane & Bamboo
50	Kolar	Kolar	Bleach/Dye/Print Silk Jen
51	Kolar	Shivarpatna	Stone Carving
52	Mandya	Melkote	Handlooms
53	Mandya	Nagamangala	Metal Images Classical
54	Mandya	Nagamangala	Metalware
55	Mysore	Mysore	Agarabatti
56	Mysore	Mysore	Earthier Ware/Pottery
57	Mysore	Mysore	Grass/Soraw Floor concerning
58	Mysore	Mysore	Jewellery
59	Mysore	Mysore	Metal Ware
60	Mysore	Mysore	Shopping bag/fancy Items
61	Mysore	Mysore	Toyes and decoration pieces
62	Mysore	Mysore	Wood Carving
63	Mysore	Mysore	Wood Inlay
64	Ramanagara	Ramanagara	Stone Carving
65	Ramanagara	Ramanagara	Terracotta
66	Ramanagara	Ramanagara	Pottery & Clay
67	Ramanagara	Channapatna	Wood Carving
68	Ramanagara	Channapatna	Lackerwere
69	Ramanagara	Channapatna	Toys
70	Shimoga	Agumbe	Cane & Bamboo
71	Shimoga	Bhadravati	Wood Turning & Laquerware
72	Shimoga	Sagar	Wood Carving
73	Shimoga	Shimoga	Wood Carving
74	Shimoga	Shimoga	Shopping bag/ fancy Items
75	Shimoga	Shimoga	Toys and decoration pieces
76	Shimoga	Sorab	Wood Carving

77	Udupi	Karkala	Metal Images Classical
78	Udupi	Udupi	Metalware
79	Uttara Kannada	Honnawar	Wood Carving
80	Uttara Kannada	Siddapur	Wood Carving
81	Uttara Kannada	Sirsi	Wood Carving
82	Uttara Kannada	Kumta	Wood Carving
83	Uttara Kannada	Karwara	Jewellary

Sources: Department of Industries and Commerce, Government of Karnataka

CHAPTER - IV

INCENTIVES AND CONCESSIONS

New Industrial Policy 2014-19 has been brought out by commerce and industries department after consulting with all the stake holders.

The New Industrial Policy 2014-19 aims at achieving an industrial growth rate of 12% per annum by attracting investments of about five lakh crore & generate employment to about fifteen lakh persons during the Policy period.

The Policy aims at holistic development of the State and looks beyond Bangalore with equitable distribution of industries all over Karnataka.

Incentives and Concessions offered in the policy are as follows:

1. Interest Free Loan to Large, Mega, Ultra Mega and Super Mega enterprises on Net VAT and CST

Incentive is interest free loan of 40 % to 100% of NET VAT+CST with max limit of 100 % of value of fixed assets for a period of 7 yrs to 14 yrs depending on investments and zone

2. Anchor Industries:

Anchor Units (Manufacturing enterprises in a taluk providing a minimum direct employment of 150 persons with a minimum investment of Rs. 250 crore) are given special importance by providing special investment promotion subsidies and enhanced tax related incentives for taking the industries to taluks where industrial activity needs to be encouraged.

- 3. **Investment Promotion Subsidy** ranging from minimum of Rs. 9 Lakhs to a maximum of Rs. 65 Lakhs based on investment and location of project (Details of Zones)
- 4. Stamp Duty Exemption & Concessional Registration Charges
- 5. **Reimbursement of Land Conversion Fee** from 75% to 100% based on investment and location of project (Details of Zones)

- 6. **Exemption from Entry Tax:** 100 % on Plant and Machinery for period of 3 to 5 years and 100% on Raw Material for period of 5 to 8 Years based on the investment and location of project (Details of Zones)
- 7. Subsidy for Setting up Effluent Treatment Plant (ETP) from 50% of cost of ETP subject to a maximum of Rs.50 Lakhs to 75% of cost of ETP subject to a maximum of Rs.100 Lakhs based on the investment and location of project (Details of Zones)
- 8. **Interest subsidy** (Micro enterprises only) of 5% for period from 4 years to 7 years based on the investment and location of project (Details of Zones)
- 9. **100% Exemption from Tax on Electricity Tariff** (for MSMEs) for period from 4 years to 8 years
- 10. Incentives for Technology Upgradation, Quality Certification for MSMEs (Interest subsidy 5%, ISO series Certification 75% or maximum of Rs. 1 lakh, BIS Certification 75% to 100% subject to maximum of Rs.1 lakh, Technology Adoption 25% to 50% subject to maximum of Rs.1 lakh, Technology Business Incubation Centre 25% to 50% subject to maximum of Rs. 75 lakh, Recycling of electronic waste and plastic waste 5% or subject to maximum of Rs.15 lakh) based on the investment and location of project. (Details of Zones)
- 11. **Incentives for Water Harvesting / Conservation Measures** (Manufacturing SMEs Only) (Rainwater harvesting 50% to 75% subject to maximum of Rs.1.5 lakh, Waste water recycling 50% to 75% subject to maximum of Rs. 7.5 lakh, Zero discharge process 50% to 75% subject to maximum of Rs.7.5 lakh) based on the investment and location of project. (Details of Zones)
- 12. **Energy Conservation:** Manufacturing MSMEs (Energy conservation measures 10% to 15% subject to maximum of Rs.7.5 lakh, Non conventional energy sources 10% to 15% subject to maximum of Rs.7.5 lakh, Captive power generation subsidy Rs.0.5 to Rs.0.75 per unit through Solar and Wind energy) based on the investment and location of project. (Details of Zones)
- 13. **Focus on MSME:** Special attention has been given to this sector by reserving 20% of the allotable land in each industrial area. Further, an attractive

package of incentives and concessions provided in the policy coupled with suitable measures for marketing and financial support for MSMEs are proposed.

14. **Inclusive Growth:** The Policy not only aims at spreading industries all over Karnataka, it also aims at inclusive growth covering all sections of the society like Women, SC/ST, Backward Classes & Minorities, special package of incentives and concessions have been given to them.

For SC/ST Entrepreneurs:

- 1. KIADB/KSSIDC to reserve 22.50% of allotable area
- 2. KIADB/KSSIDC to allot land at subsidised rates at 30% to 40 % subject to maximum of `35 lakhs based on the investment and location of project. (Details of Zones)

For Women entrepreneurs.

- 1. KIADB/KSSIDC to reserve 5% of allotable area
- 2. Special package of incentives

For Minorities, Backward Classes, Physically challenged persons, Ex-Servicemen entrepreneurs

- 1. KIADB/KSSIDC to reserve 5% of allotable area
- 2. Special package of incentives
- 15. Encouragement to Non Resident Kannadigas (NRKs)
- 16. Additional Package of incentives and Concessions to focused Manufacturing sector i.e., Automotive & Machine Tools (Excluding Steel and Cement) Ultra and Super Mega projects
- 17. **Special Incentives** special package of incentives and concessions and relaxation in the conditions mentioned in the policy will be considered for deserving cases.

CHAPTER – V

INFRASTRUCTURE FOR INDUSTRIAL DEVELOPMENT

Development of infrastructure in a region has a direct impact on the Micro, Small and Medium Enterprises development. Major infrastructural components include Land, Educational Institutions, Literacy, Transport, Communication Lending Institutions etc.

The State Government has created several Organisation and Institutions to provide infrastructural support to the Private Sector enterprises. The Directorate of Industries and Commerce Co-ordinates all activities related to Industrial Development. It allots Power, Land, Water besides Sanction of fiscal incentives.

Karnataka Industrial Areas Development Board (KIADB)

The Karnataka Industrial Areas Development Board, which has created best infrastructure for establishing industries in the State, has played an important role in the industrial development vis-a-vis in the industrial growth of Karnataka

KIADB is a statutory body, constituted under Sec.5 of Karnataka Industrial Areas Development Act, [KIAD Act] – 1966, which provides for expeditious acquisition of lands for industrial and infrastructure purposes. KIADB, besides forming layouts with all infrastructure facilities for promotion of industries, also acquires lands in favour of various State & Central Govt. Departments/Organizations and Single Unit Complexes, for setting up their projects on stand alone basis.

The vision of KIADB and world class infrastructure has made investors all over the world take notice of Karnataka as the premier destination for their startups and ventures.

KIADB has formed industrial areas in all the districts of the State. So far it has formed 148 small and big industrial areas spread over the State covering about 40,000 acres.

In Bangalore industrial areas like Peenya, Dobaspet, Bidadi, Harohallli, Jigani, Bommasandra, Electronic City, EPIP-Whitefield, Doddaballapura, in Mysore, Hebbal industrial area spread over 3000 acres, in Mangalore Baikampady industrial area spread over 2700 acres, Belur industrial area in Dharwad on an extent of 2185 acres, Kanabargi & Honaga in Belgaum and Raichur Growth Centre etc are the major industrial areas developed by KIADB.

KIADB has also provided land to about 400 stand alone major industries (Single Unit Complexes).

This apart, KIADB has envisaged several innovative projects like Agro - Tech Parks, Apparel Parks, Food Parks, Auto Parks, Hardware Park, Bio-Tech Park, EPIPs, Sector Specific SEZs, Growth Centers etc.

General Industrial Areas	148 Industrial Areas spread over in 28 Districts
Growth Centres	 Dharwad Hassan Raichur
Integrated Infrastructure Development Centres	 Auto complex – Belgaum Malur III Phase – Kolar Bagalkot – Bagalkot
Mini Growth Centres	 Aliabad – Bijapur Malur – Kolar Amble – Chickmagalur Mundargi – Bellary Narsapur – Gadag
Export Promotion Industrial Parks	Bengaluru Mangalore

	1. Textile – Hassan
	2. Pharmaceutical – Hassan
CE7a	3. Agro Tech and Food Processing –
SEZs	Hassan
	4. IT/ITES – Mangalore
	5. Aerospace - Bengaluru
	1. Doddaballapura – Bengaluru
Apparel Parks	2. Mundargi – Bellary
	3. Karur – Davanagere
	1. Bagalkot – Bagalkot
A T 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2. Malur – Kolar
Agro Tech and Food Parks	3. Jewargi – Gulburga
	4. Hiriyur – Chitradurga

Karnataka State Small Industries Development Corporation (KSSIDC)

Karnataka State Small Industries Development Corporation (KSSIDC) provides Industrial Sheds and plots with infrastructure and also supplies basic Raw materials to the Industries.

KSSIDC, is one of such Corporations, established on 29th April 1960. The registered office of the Company started functioning at Bangalore in the State of Karnataka.

The programme of establishment of industrial estates, which has been carried out by the State Government involved in construction of industrial sheds of various dimensions and providing them with essential amenities such as roads, water supply, sewerage line and electricity.

KSSIDC, Constructs/ Develops Sheds and Plots for allotment SSI entrepreneurs in various Industrial Estates. Table showing the Dimension of sheds:

Type	Size	Area In	Plinth Area	Open Spaces
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Shed					
		Sq. Mtr	Sq. ft		
A	21.10x42.45 Mtrs	896.00	9645.00	5283.00	405.23
В	21.10x25.70 Mtrs	542.27	5837.00	2780.00	3057.00
С	21.10x17.90 Mtrs	377.69	4065.00	1790.00	2275.00
D	13.50X17.90 Mtrs	241.65	2600.00	980.00	1620.00
SM	8.10X73.71 Mtrs	73.71.00	790.00	645.00	145
M	2.05X31.16 Mtrs	335.00	-	-	-

Apart from the above KSSIDC has also constructed Flatted Factories in Peenya, KEONICS, and Rajajinagar. Table showing the Dimension of Developed Plots:

Plot Type	L	M	N	P	Q	R	S	A	В	C	D
Area In SqMtrs	752.00	1045.00	2048.00	903.00	546.00	378.00	243.00	1858	929	464	279

The progress of the industrial estates for the last five-decades increased enormously and the Company as on date has established network of 177 developed Industrial Estates throughout the State in almost all the districts and taluka of Karnataka and constructed 6180 Industrial Sheds, flats, godowns and shops apart from formation of 8258 Industrial Plots.

The Company has also constructed industrial sheds under Dutch Assistance Programme, small town programme and also under Special Component Programme with the assistance of Dutch and Govt. of India.

The Company has also established an exclusive Industrial Estate under 'Dr. B.R.Ambedkar Birth Centenary Programme' at Jigani Bangalore District where 100 sheds have been constructed and 86 plots have been formed with all infrastructures exclusively for SC & ST entrepreneurs.

The company under VISHWA SHEDS SCHEME constructed 809 sheds all over the state for the use of tiny units

The maintenance and upkeep of the sheds also became a part of the responsibility of the Corporation. Besides constructing and letting out the industrial sheds, developed plots were also offered to the entrepreneurs to put up their own factory sheds.

The company also established exclusive and prominent ancillary industrial estates in the vicinities of large and medium scale industry to cater to their services to public sectors like BEL, ITI, HAL, NGEF, BHEL, BEML, VISL and Mysore Lamps.

Education & Research Institutions:

Karnataka is home to many nationally and internationally renowned biotechnology research Institutions. A few of the popular education and research institutions in Karnataka (not exhaustive) are listed below:

- a. Indian Institute of Science (IISc)
- b. University of Agricultural Sciences (UAS- 4 Universities & several colleges)
- c. University of Horticultural Sciences (UHS- 8 Campuses)
- d. National Centre for Biological Sciences (NCBS)
- e. Centre for Cellular and Molecular Platforms (C-CAMP)
- f. InStem in the campus of TIFR-NCBS.
- g. National Institute of Mental Health and Neuro Sciences (NIMHANS)
- h. Jawaharlal Nehru Centre for Advanced Scientific Research (JNCASR)
- i. Central Food Technological Research Institute (CFTRI Mysore),
- i. Indian Institute for Horticultural Sciences (IIHR)
- k. Foundation for Revitalization of Local Health Tradition (FRLHT)
- 1. Institute for Bioinformatics and Applied Biotechnology (IBAB)
- m. Center for Human Genetics (CHG)
- n. Institute for Agricultural Biotechnology (IABT)
- o. Kidwai Memorial Institute of Oncology
- p. IAIM Health Care Center
- q. Manipal Institute for Neurological Diseases,
- r. Rajiv Gandhi University of Health Science

Karnataka has around:

- 82 engineering colleges,
- . 23 medical colleges,
- 46 pharmacy colleges,
- 200 polytechnic
- e. 300 industrial training centers.

Banking Sector

Karnataka state is the mother of five leading Public Sector Banks, two Private sector Banks and many small Banks. But the penetration levels are higher only in the southern districts of the state. Syndicate Bank, the convenor of the State Level Banker's Committee, has lived up to the responsibility on its home turf.

As of now 7 SBI and associate banks, 20 other nationalised banks 6 RRB's ,20 private banks,12 foreign banks and 2 non-scheduled commercial banks are operating with 5768 branches in Karnataka state as on 31st march 2009.

The Indian Government's notification of nationalisation of banks in 1969 and 1980, resulted in lot of these banks being nationalized with the Indian Government now owning some amount of control over these banks.

The state of Karnataka, particularly the region comprising the coastal districts of Dakshina Kannada and Udupi is called as the cradle of banking in India. This is because seven of the country's leading banks, Canara Bank, Syndicate Bank, Corporation Bank, Vijaya Bank, Karnataka Bank, Vysya Bank and the State Bank of Mysore originated from this state. The first five in the above list of banks were established in the districts of Udupi and Dakshina Kannada

As of today, State Bank of Mysore, Canara Bank, Vijaya Bank and Vysya Bank have their headquarters in Bangalore, Corporation Bank and Karnataka Bank are headquartered in Mangalore while Syndicate Bank is headquartered in Manipal.

Karnataka has a good banking network spread all over the State, which has been steadily growing to cater to more and more population. As on 31 March 2013, there were 8430 branches of various banks in the State (excluding PACS) with more than 60% of these branches being in rural/semi-urban areas. The branch network in the State increased from 7885 in 2011-12 to 8430 in 2012-13, improving the per branch population from 7748 in 2011-12 to 7252 in 2012-13.

Public Sector Banks and Financial Institutions:

- 1. State Bank of India and its 7 associates Banks
- 2. Canara bank
- 3. Syndicate Bank
- 4. Vijaya Bank
- 5. Dena Bank
- 6. Corporation Bank
- 7. IDBI Bank
- 8. SIDBI Bank

Private Sector Banks and Financial Institutions:

- 1. ICICI Bank
- 2. Axis Bank
- 3. ING —Vysya Bank
- 4. Citi Financial Bank
- 5. Federal Bank

Transportation

Karnataka has a railway network with a total length of approximately 3,089 kilometres (1,919 mi). Until the creation of the South Western Zone headquartered at Hubli in 2003, the railway network in the state was in the Southern and Western railway zones.

Several parts of the state now come under the South Western Zone, with the remainder under the Southern Railways. Coastal Karnataka is covered under the Konkan railway network which was considered India's biggest railway project of the century. Bangalore and Hubli are extensively connected with inter-state destinations while other important cities and towns in the state are not so well-connected.

Karnataka has 11 ports, including the New Mangalore Port, a major port and ten other minor ports. The New Mangalore port was incorporated as the ninth major port in India on 4 May 1974. This port handled 32.04 million tonnes of traffic in the fiscal year 2006-07 with 17.92 million tonnes of imports and 14.12 million tonnes of exports. The port also handled 1015 vessels including 18 cruise vessels during the year 2006-07.

The total lengths of National Highways and state highways in Karnataka are 3,973 and 9,829 kilometres (2,469 and 6,107 mi), respectively. The KSRTC, the state public transport corporation, transports an average of 2.2 million passengers daily and employs about 25,000 people.

In the late nineties, KSRTC was split into three corporations, viz., The Bangalore Metropolitan Transport Corporation, The North-East Karnataka Road Transport Corporation and The North-West Karnataka Road Transport Corporation with their headquarters in Bangalore, Gulbarga and Hubli respectively.

CHAPTER – VI

RESOURCE PROFILE

It is essential to assess the resources available in the district before exploring the possibilities of new Micro, Small and Medium Enterprises in the State.

Agricultural Resource

Karnataka is predominantly an Agriculture State. 24% of the total GDP comes from Agriculture. 65% of the work force is dependent on Agriculture. 70% of the population still in rural areas is depending on agriculture for their lively hood .Agro products grown in an area of 107.90 lakh hectares and the production is 92 lakh Mts. Horticulture crops grown in 14.27 lakh hectares and the production is 114.90 lakh Mts. Total gross Annual income from Horticulture is Rs. 7152 crores which is 40% of the gross annual income from combined agriculture sector.

Karnataka is the leader in horticultural products and spices, aromatic and medicinal crops, and tropical fruits. Karnataka is the largest producer of coffee and cocoa in the country.

It is also the second-largest milk producing state, and third and fourth largest producer of sugar and sugarcane respectively. It is the 5th largest producer of fruits in the country and the fourth largest producer of spices. Accounts for over 20% of floriculture production in India and is one of the largest producers of Cashew nut in India. The state is the second largest producer of flowers as well as the second largest producer of grapes in India.

Karnataka is a land for agricultural prosperity in the country Agriculture in Karnataka has been making impressive strides since the sixties like the rest of the country. The State has been divided into ten agro climatic zones with various types of soils and varied agro-climatic conditions. It is the only State suitable for cultivation of a rich variety of crops in the country.

Important crops are rice, jowar, ragi, corn, wheat, pulses, cotton, sugarcane, oil seeds, tobacco, coffee, tea, rubber, coconut Arecanut, cashew, pepper, cardamom etc.

Karnataka is one of the leading states in the development of agriculture with focused attention on dryland farming through watershed approach such as Sujala, improving dry land productivity through award winning Bhoo Chetana Programme, etc.

The State is also a leading producer of coarse cereals and millets such as ragi, bajra, jowar which provide nutritional security. Diversity of agro-climatic zones: Due to 10 agro-climatic zones in Karnataka, almost all cereals, pulses, oilseeds and commercial crops are cultivated in different parts of the State.

The other two crops "" tomato and chilli "" area grown has declined due to excess rainfall. Potato has been sown in 40,601 hectares as against normal area of 30,000 hectares. Onion has been grown in 1,05,784 hectares as against normal area of 85,390 hectares till September 10. Hassan contributes 65 per cent of state's potato during Kharif season. In the district, the area under potato has increased by 181.69 per cent of the normal area.

In Karnataka, around 18,614.80 hectares of potato crop has been damaged due to heavy rains. In Dharwad district alone, crop damage is estimated at 30 per cent, in Belgaum district, 25 per cent crop has been damaged due to heavy rains.

Chitradurga, Dharwad and Gadag are major onion growing districts. In Chitradurga, farmers have started sowing and transplanting due to good rains. Area has increased by 16,344 hectares and expansion under the crop has almost come to an end. No crop damage has been witnessed in Dharwad.

Tomato sowing has taken place in 15,262 hectares as against 23,000 hectares. And Chilli cultivation has taken place in 96,617 hectares as against 1,73,650 hectares.

Major tomato growing districts are Bangalore (urban and rural), Kolar, Davanagere, Hassan, Chikmagalur, Belgaum, Haveri and Gadag.

In Gadag, the crop area has increased by 159 per cent and in Davanagere also area under tomato has increased by 255 per cent due to good monsoon. In Chitradurga crop has been affected by powdery mildew and in Belgaum, the crop is in flowering stage.

Chilli growing districts in Karnataka are Dharwad, Haveri, Gadag, Belgaum, Hassan and Chitradurga. In Hassan district around 22 hectares of crop has been damaged due to heavy rains. In Dharwad no major crop loss has been reported.

In Gadag and Bangalore rural districts area under chilli has increased due to good monsoon rains.

The decade 2011-2020 has been declared as the Irrigation Decade by the State Govt. with a number of investments proposed for irrigation.

The State is making efforts to focus on agricultural research and education, extension and post-harvest technology and other linkages to make agriculture vibrant and viable. Area and production of Major crops is shown in below tables.

Table Area and Production of Major Crops in the State (Area in lakh hectares, Production in lakh tonnes)

Crop / Group	2014-15 *		2013-14**		Average growth over previous year (%)		
	Area	Area Prod.		Area Prod.		Prod.	
Cereals	49.45	114.77	50.40	115.37	-1.89	-0.52	
Pulses	24.32	15.24	25.06	17.73	-2.95	-14.06	
Total food grains	73.77	130.00	75.46	133.10	-2.24	-2.33	
Oilseeds	15.01	11.67	14.10	11.62	6.42	0.45	
Cotton #	8.57	20.55	6.62	18.78	29.51	9.46	
Sugarcane	4.40	397.10	4.20	379.05	4.76	4.76	
Tobacco	1.05	1.10	1.09	0.90	-3.67	22.22	

[#] Lakh bales of 170 Kg. lint, ** Final Estimates of DE&S, * Revised Advance Estimates of Agriculture Dept

Crop/		Kharif			Rabi *			Summer *	
Groups	Normal	2014-	2013-	Normal	2014-	2013-	Normal	2014-	2013-
	Normai	15	14	Normai	15	14	Normai	15	14
Cereals	34.53	33.17	35.07	15.75	13.08	13.80	3.39	3.25	3.15
Pulses	14.12	12.16	14.08	10.90	11.94	11.67	0.24	0.22	0.12
Total food grains	48.65	45.33	49.16	26.65	25.02	25.47	3.62	3.47	3.27
Oilseeds	13.90	9.88	10.31	5.19	2.90	3.06	2.52	2.22	2.55
Cotton	2.93	7.94	5.38	1.40	0.63	0.78	0.01	0.01	0.002
Sugarcane	3.71	5.17	4.65	0.43	0.48	0.54	0.41	0.60	0.50
Tobacco	1.06	1.02	1.08	0.06	0.03	0.03	-	-	-
Aggregate Source: Agricu	70.26	69.35	70.58	33.74	29.06	29.88	6.57	6.30	6.32

Source: Economic Survey of Karnataka 2014-15

Horticultural Crops

Karnataka state enjoys a premier position in the horticultural map of India with an area of 16 lakh ha and a production of over 114 lakh metric tones of horticultural produce worth Rs.5874 crores which accounts to 42 percent of the total income derived from the agriculture sector. The horticultural crops generate employment and high nutritive value, they are highly productive and profitable besides having tremendous export potential.

In Karnataka State, major horticulture crops are grown in an area of 19.67 lakh hectares with a production of 154.89 lakh tons. The export potential of Horticultural crops has enhanced. Flower crops, Grapes, cashew, Spice products, Gherkins, Pomegranate and processed products are being exported from our State.

It is a pride to say that Karnataka stands first in export of flower crops and gherkins. Flowers worth Rs. 50.00crores and gherkins worth Rs. 300.00 crores is being exported from Karnataka.

Karnataka is in for record horticultural crops this kharif season. The main crops like potato, onion have witnessed record sowing, more than the normal area covered in many districts.

Karnataka also has unique distinction of cultivating fruits, vegetables and flowers. Among the important fruits are mangoes, grapes, pomegranates, bananas, citrus, pineapple etc. Roses of the State have helped in creating a niche in the Horticulture map of the world. In a nutshell it is described Karnataka as a "MUSEUM OF CROPS.

Horticultural development is taking place at a fast pace in Karnataka state, with an increased trend of high value horticulture production. Hence, it has become very essential to encourage production and post harvest activities in horticulture. Area under Horticultural crops in the state from 2008-09 to 2013-14 is given in below Table

Area under Horticultural crops in Karnataka.

(lakh Ha.)

Crops	2008-09	2009-10.	2010-11	2011-12		2 0 1 3 -1 4 (Estimated)
F ru its	3 .1 8	3 .6 0	3 .5 4	3 .6 9	3 .7 7	4 .0 0
Coconut	4 .7 1	4 .8 7	4 .91	4 .9 3	4 .9 7	5 .1 7
S p ices	2 .4 3	2 .6 6	2 .57	2 .2 9	1 .7 0	1 .7 8
Ve geta b les	4 .2 1	4 .3 7	4 .38	4 .2 0	4 .0 0	4 .1 9
C a sh ew	0 .7 0	0 .7 0	0 .69	0 .7 0	0 .7 0	0 .7 4
F low e rs	0 .2 7	0 .2 7	0 .2 8	0 .2 9	0.30	0.30
O th e rs	2 .5 0	2 .5 2	2 .6 4	2 .7 6	2 .9 2	2 .9 6
To tal	18.00	18.99	1 9.0 1	18.86	18.36	19.14

Source: Directorate of Horticulture

Cold Storages

In Karnataka, only 1% of the total production of fruits and vegetables is currently being processed so as to produce value added goods of higher market value.

About 25-30% the produce is lost due to inadequate cold storage and transport facilities. At present there are 79 cold storage units with a total storage capacity of 2.67 lakh MT, for handling fruits and vegetables.

Of these units, 5 are in the co-operative sector, 68 are in the private sector and 6 are in public sector. Based on the estimates of per capita consumption of Horticulture produces prepared by the Task Force set up by planning commission, demand for fruits and vegetables in Karnataka would be 145 lakh tonnes by 2020 and the State's current cold storage facility would cover a mere 2% of the produce.

It is imperative that the cold storage capacity is augmented to reduce the losses and to move up agro processing value chain. By enhancing the capacity of cold storage and over all improvement of post-harvest linkages to the farmers, the State can minimize the losses caused due to wastage. Infrastructure of Modern Flower Auction House at Bangalore can be used for sorting, grading, cold storage, electoronic auction system, banking and other value addition facilities.

Animal Husbandry and Veterinary Services

Karnataka livestock sector plays an important role in improving the Economic status of the rural farmers who are dependent on the Livestock for their livelihood. Karnataka has 2.9 crores of livestock and 5.3 crores of poultry population as per the 19th Livestock Census 2012.

The share of Animal Husbandry in Gross State Domestic Product (GSDP) of Agriculture and Allied activities was 20.51% during 2013-14. The share of Karnataka in all India livestock and poultry population was 5.41% and 7.33%, respectively. The density of livestock in the state was estimated at 151.21 per sq.km and 47468 per lakh human population.

Livestock and Poultry Production:

India ranks Second in the world (FAOSTAT-Website year 2012) and Karnataka State ranks eleventh among Indian States in milk production. The production of milk in the State was 5.99 million MT during the year 2013-14. Details of the production of milk, meat, wool and eggs are shown in the below Table

Table Livestock and Poultry Production

						2014-15	Percentage change in
Item	Unit	2010-11	2011-12	2012-13	2013-14	(up to	2013-14
						December 2014)	over 2012- 13
Milk	'000 T	5113	5448	5718	5997	5206	5.35
Meat							
@	Tones	123910	139553	166059	169894	153860	2.25
Wool	Tones	7179	7779	8020	7755	5773	-3.4
0Eggs	No. in	307	347	368	412	349	10.67

^{@0} Includes Poultry Meat.

Source: Economic Survey of Karnataka 2014-15

Fisheries

Karnataka State has 320 Km long coast line along with 27000 Sq. km continental shelf area, 5.65 lakh hectares of various inland water resources and has vast scope for fisheries development. The brackish water area of 8000 hectares also provides good scope for shrimp/fish culture. There are about 9.61 lakh fishermen in the state of which 3.28 lakh fishermen in marine and 6.33 lakh fishermen are in inland who are involved in various fisheries activities.

During the year 2013-14, the total fish production of the state is 5.55 lakh tonnes which contributes to 5.8% of the national fish production. Karnataka is in 6th position in marine fish production and 9th position in inland fish production when compared to fish production in the country. The total fish production during 2014-15, upto end of December 2014 is 4.12 lakh tonnes.

Fish Production:

The annual fish production in Karnataka has shown a considerable increase from 2.51 lakh metric tons in 2004-05 to 5.55 lakh metric tons in 2013-14. Details of fish production for the last 10 years are given in the Table

Details of Fish Production in Karnataka (MTs)

Marine	Inland	Total
171227	80470	251697
176974	120598	297572
168544	123919	292464
175566	122124	297690
218137	143717	361854
248728	159324	408052
340571	186008	526579
347383	199053	546437
357325	168241	525566
357358	197952	555310
	171227 176974 168544 175566 218137 248728 340571 347383	171227 80470 176974 120598 168544 123919 175566 122124 218137 143717 248728 159324 340571 186008 347383 199053 357325 168241

Economic Survey of Karnataka 2014-15

Sericulture

Karnataka leads in the exports of silk in India accounting for approximately 25% of the total Indian export market.

Sericulture was introduced into Karnataka about two hundred years ago. Since then, sericulture has prospered in the State. Silk industry comprises of agricultural activities such as mulberry cultivation and silk worm rearing and industrial activities which include silk reeling, twisting, weaving, dyeing and finishing.

Small scale units could be set up to make silk scarves, dress materials, carpets and readymade garments. There is very good export market for various products made out of silk in western countries

Minerals

Karnataka is is the sole producer of felsites and the leading producer of iron ore, chromite, and dunite.

Karnataka is the main gold producing state in the country, contributing 99% to India's total gold production.

Karnataka is extremely resource rich and hosts country's 78% vanadium ore, 74% iron ore (magnetite), 42% tungsten ore, 38% asbestos, 33% titaniferous magnetite, 30% limestone, 25% granite, 22% manganese ore, 19% corundum, 18% dunite, 13% kyanite and 11% iron ore (hematite) resources.

Steel zones proposed in Bellary, Koppal, Raichur, Bagalkot, Haveri and Gadag districts.

Cement Industrial zones proposed in Gulbarga, Bagalkot, Chitradurga, and Belgaum districts.

CHAPTER -VII

EXPORTS PERFORMANCE

The present invading concepts such as liberalisation and globalisation cutting across all the known contours of international trade have replaced the old cry for self-sufficiency and the focus and emphasis has been shifted to inherit the best available goods and services at a lesser cost. The ways and means to achieve this has cut across all known definitions and trade barriers and seek for solutions outside the territory widening the dimensions of the market beyond imaginations. This has further been fuelled by the faster modes of transport and communication system that the previous societies have never been aware off.

In order to meet these aforesaid conditions and aspirations, the export trade in India has been given importance and right support by the Government machinery positioning themselves to proximity to the reality. With a view to carry out these chief objectives and earning foreign exchange to meet so many other commitments, both the individuals and State devoted to exports in a larger measure.

To move in this direction, Dakshina Kannada district is equipped with the right type of infrastructure having a well-developed port, air-port and enthusiastic entrepreneur force. The export possibilities are wide ripen for a curious entrepreneur. Indian exporters have taken the right clue and started launching ventures in the proper perspective.

Karnataka has a long tradition of overseas trade. Historically, Karnataka has been a major exporter of commodities like coffee, spices, silk, cashew nuts, handicrafts and agarbathies.

In the last two decades, the State has emerged as a major player in the export of electronic and computer software, engineering goods, readymade garments, petrochemicals, gems and jewellery, agro and food processing products, chemicals, minerals and ores, marine products, etc.

Karnataka has carved out a niche for itself in the global market place as the knowledge and technology capital of the Country. The State has made rapid and spectacular strides in the new economy.

Information technology, biotechnology and research and development institutions have enhanced Karnataka's achievements at national and global levels. Karnataka accounts for more than one third of electronics and computer software exports from the country. It is also a leader in exports of readymade garments, gems and jewellery, petrochemicals and engineering commodities from Southern Region.

Karnataka ranks 1st in software / service exports and stands 4th in merchandise exports in the national export basket. Karnataka is in the processes of establishing a continuous database on exports among the states in India.

Visvesvaraya Trade Promotion Centre (VTPC) under the aegis of Department of Industries and Commerce of the Government of Karnataka is the official institution for compilation and publication of the export data by 19 commodities from Director General of Commercial Intelligence and Statistics, Kolkata, Export Promotion Councils (EPCs), Commodities Boards and other State agencies. Trade & industry bodies have also supported for the creation of database.

Karnataka's exports amounted to about Rs. 290418 crore in 2013-14 which constituted about 12.37% of the Country's exports in that year. The share of merchandise exports in the National exports constitutes around 5.92% and software / service exports around 38% for the year 2013-14.

Karnataka's exports as a percentage of GSDP has a fairly large share and has also increased significantly over the period. The share of exports in GSDP which was 7.36% in 1993-94, has grown to 47.3% in 2013-14.

Exports of electronics and computer software constitute the largest share in the State's exports. Its share was of the order of 61% in 2013-14. The other commodities which have substantial share in Karnataka's exports in 2013-14 are petroleum and petroleum products (12.18%) and gems & jewellery (8.32%).

These three commodities account for about 81% of Karnataka's exports. Other commodities with significant share in State exports are engineering goods (6.19%), Readymade garments (3.06%), basic chemicals, pharmaceuticals and cosmetics (2.86%) and coffee (1.24%). Readymade garments (3.06%), basic chemicals, pharmaceuticals and cosmetics (2.86%) and coffee (1.24%).

Karnataka enjoys a unique position in India in exports of electronics and computer software. In 2013-14, the exports of electronics and computer software from the State accounted for as much as 40% of India's total exports. Exports of electronics and computer software, basic chemicals, pharmaceuticals and cosmetics, readymade garments, petroleum & petroleum products, engineering products, marine products, coffee products, spices, agro and processed food products and plastic goods have increased significantly in 2013-14 as compared to their exports in 2012-13. The exports of silk products, gems and jewellery, iron ore and plastic goods have revealed a marginal decline in 2013-14 as compared to 2012-13.

Karnataka's exports were Rs.110892 crore during the period of April-Sept.2014 Export of electronics and software constitutes the largest share in the State's exports. Its share is 55% in 2014-15(up to September 2014). The other commodities whose share in exports in 2014-15(up to September 2014) are Gems & jewelers (9.36%), petroleum & petroleum products (10.66%), engineering products (10.42%) and readymade garments (3.44%)

Karnataka's contribution to India's exports has varied between 11% and 15% during the Eleventh Period. Further, Karnataka's share in India's total exports of information and communication technology products has remained higher than 25% since 2005-06.

Karnataka has shown a highest growth rate of exports of over 12% in the year 2013-14 compared to previous year and also when compared to other States.

The achievements made in the export front and also the variety of goods traded by the exporters in Karnataka are presented in the below table

Table: Export Performance of Karnataka

Sl.					
	Commodity	2011-12	2012-13	2013-14	2014-15*
No					
1	Electronics, Computer Software & BT	135660	156000	178000	60735
2	Readymade Garments	8143	7670	8900	3810
3	Petroleum & Petroleum Products	23418	33915	35392	11825
4	Engineering Products	8263	12568	17978	11557
5	Iron Ore & Minerals (incl Granite)	1134	1735	739	442
6	Silk Products	673	654	650	300
7	Coffee Products	3173	3534	3598	1908
	Basic Chemicals, Pharmaceuticals &				
8	Cosmetics	5077	7233	8300	2835
9	Agriculture & Processed Food Products	763	1149	1300	698
10	Gem and Jewellery	23728	24483	24175	10377
11	Cashew and Cashew Kernals	882	847	1200	1420
10	77 11 0	2.5	25.4	71.	400
12	Handicrafts	267	374	516	488
13	Leather Products	320	452	450	291
14	Chemicals and Allied Products	480	491	562	450
15	Marine Products	605	632	1067	387
16	Plastic Goods	604	788	700	270
17	Spices	700	905	1150	576
18	Wool & Woolen Products	129	151	176	97
19	Miscellaneous and Other	4819	4789	5565	2426
	Total	218838	258370	290418	110892

Source: Visvesvaraya Trade Promotion Centre (VTPC),Bangalore

CHAPTER -VIII

PROBLEMS/SICKNESS OF MSME SECTOR

Sickness in Micro, Small and Medium Enterprises has remained an untackled problem, constantly searching for a solution over many decades. These problems emanate from the conceptual stage itself – from project report preparation to take off stage.

The problems are both internal and external: subjective and objective, own creation and beyond control etc. It has its accent and trace in the insight of the individual entrepreneur, selection of product, credit facilities, state policy, natural calamities, external markets fluctuations and global changes etc.

In a market oriented economy, sickness and mortality are viewed as common phenomena and Indian case is considered less chronic than the other Asian countries. Data on the magnitude and nature of sickness in MSME Sector in India reflect only a partial aspect of it.

The main causes for sickness are:-

- 1. Inadequacy of initial capital This involves low equity on the part of promoters, under-financing agencies, particularly working capital and under estimate of capital cost.
- 2. Inadequacy in the rate of Production: This happens as a result of deficiency in machinery layout, want of adequate skilled labour, frequent power cuts, improper toolings, jigs and fixtures, consumables etc.
- 3. Unexpected cancellation of orders
- 4. Insufficient sales
- 5. Unforeseen market fluctuations
- 6. Improper inventories
- 7. Increase in bad debts
- 8. Improper pricing
- 9. Low capacity utilisation
- 10. Over borrowing etc.

The below table also depicts the main causes for Sickness of MSME units in Karnataka are:-

PROBLEMS IN	LACK OF ORDERS	LACK OF RAW		
PRODN.		MATERIALS		
A. Machine breakdowns	A. Competition	A. National or Regional		
, Poor Maintenance	B. Recession	shortage		
B. Poor Quality Raw	C. Low Quality technical	B. High cost		
materials	incompetence	C. Overdue payments to suppliers		
C. Poor labour	D. Irregular delivers			
Productivity	E. Poor marketing	D. Poor quality		
D. Power shortage	efforts	E. Uncertain supplies		
E. Lack of production	F. Obsolescence	F. Lack of planning		
Planning & control	G. Power shortage			
F. Delayed supplies from Sub-Contractors	H. Government policies			
G. Poor Industrial				
Relations				

Symptoms

Thrust for additional private borrowing during the first year of operation itself. Idle capacity
Difficulties in adhering to delivery schedules
Labour cost remaining high

Rising stock of finished goods

Cash shortage

Inability to meet interest and loans repayment etc.

Preventive Measures:

The main preventive measures are:-

- 1. Move to bring in additional equity
- 2. Seeking additional fund from the financial agencies
- 3. Better utilisation of skilled labour
- 4. Rearrangement of machinery according to the flowchasrt/purpose
- 5. Proper pricing
- 6. Optimum maintenance of inventories
- 7. Realizing the receivables in a methodical manner
- 8. Judicious selection of product mix, controlling debt equity not less than 3: 1
- 9. Maintaining Debt Repayment capacity at least 2

Rehabilitation:

When units fall sick and become defaulters, some revival measures are contemplated by the financing agencies. These concessions are mooted out by the Reserve Bank of India for sick units on the model of Board for industrial and Financial Reconstruction by adopting a package of measures depending upon nature and intensity of sickness.

These concessions are reschedulement of principal instalments, waiver and penal interest, additional financial assistance for purchase of matching equipment's, sales tax reschedulement, waiver as may be necessitated, power concessions as may deem fit by the Electricity Board etc.

Though the sick MSME units can avail of these concessions as stipulated by the Reserve Bank of India, the concessions cannot be claimed as a matter of right.

Further, the procedures for rehabilitation of the sick industry is time consuming. It is often found that deserving sick units are not identified properly for rehabilitation and the rehabilitation plans proposed by the entrepreneur some times are not given due importance.

It is therefore advisable that proper care is taken while establishing the unit for the technical and economic feasibility and due importance is given for management of the industry for efficient functioning.

Some DO's for promising entrepreneurs

- 1. Before starting an industry do take into account your capacity aptitude, physical and
- 2. Mental strength make a thorough Market survey about the product to be manufactured
 - (a) the availability of raw material
 - (b) your competitors their strength, weakness etc.
- 3. Make an indepth study about the machineries to be purchased. If various models are available for a particular machinery, please make enquiries about the comparative performance, output etc.
- 4. Try to execute the project in record time so that the gestation period is shortened. Arrange for the electricity, water, sewerage connections etc., well in advance so that the machineries can be installed straight away and production can be started without any loss of time.
- 5. Always have a broad clientele. It is not advisable to depend on one or two buyers.
- 6. Be on the look out for allied lines, so that your unit can be put to maximum use with no increase in overheads.
- 7. Have a constant watch on overheads. Avoid wasteful expenditure.
- 8. Keep an eye on the receivables. Prompt realisation of your bills reduces your interest burden and increases your profitability.
- 9. Have a strict control over inventories. Please avoid wastage, pilferage.
- 10. Keep abreast with the latest developments in the manufacturing technique etc.
- 11. Hide nothing from your bankers. He is like your family doctor.

CHAPTER-IX

SCOPE FOR MICRO, SMALL & MEDIUM ENTERPRISES IN KARNATAKA

The scope for micro, small and medium enterprises in a particular area is decided upon the availability of human and material resources. Human resources particularly skilled labour is essential.

Entrepreneurial talent among the local people to harness the resources is also considered to be the important factor. Material resources such as agriculture, horticulture, livestock, minerals etc. should also be taken into consideration and abundance available of material resources, which is required for harnessing Micro, Small and Medium Enterprises for purposes.

A study of natural resources has revealed that Karnataka is endowed with agriculture, horticulture resources, mineral, forest resources etc., for industrial exploitation. A threadbare analysis of these resources has been done and the extent of availability of these resources dealt in detail in **Resource Profile Chapter.**

Infrastructure plays an important role in the micro, small and medium enterprises development of an area. The MSMEs development is an on-going process. The development of infrastructure facilities is also very essential and should be a continuous process.

Land which is another important factor for industrial development The study on the existing structure of the industry has also been undertaken to avoid suggesting those industries which have already come up in sufficient numbers so that establishment of new units manufacturing same products does not affect the prospects of existing industries. Details relating to the present status of the industry in the district are presented in the **earlier Chapter**.

The scope for Micro, Small and Medium Enterprises in a particular area is decided based on the availability of human and material resources.

Karnataka. is endowed with agriculture, horticulture resources, mineral, forest resources etc., for industrial exploitation.

Karnataka is driving domestic growth, crafting careers and creating wealth through a potent mix of resource based, skill based, technology based and knowledge based products and services. The State has a living tradition of employing technology to trace a steady growth curve across various sectors of the economy, earning in the process, the enviable tag of being "the most technology savvy State" in India.

The State's entrepreneurial spirit in innovations and R&D has given recognition world over. The state is known as Silicon Valley of India. Our rich natural resources, proactive Government policies, talented work force and a strong economy have propelled the State to become a preferred investment destination

Karnataka's biggest story is the growth of Information Technology (IT) / Information Technology Enable Services (ITES) led sector which accounts for more than 40% of the India's Software export. This growth has primarily occurred in Bangalore city and its environs though the industry has now begun moving towards other centers such as Mysore, Mangalore and Hubli-Dharwad.

Karnataka also has the largest number of Medical Institutes & Industrial Training Institutes (ITI) in the country. It is the preferred investment destination in the Country and truly represents "One State, Many Opportunities".

Karnataka's economic growth across sectors, namely: Information Technology, Bio Technology, Aerospace, Machine Tools, Animation and Gaming, Telecommunication, Agri Business and others has been rapid and on a steady ascent. It offers plethora of opportunities for investors across sectors.

Each of our 30 districts is unique in its own right, offering investment potentials like no other state in the country. Supported by rich natural resources and progressive policies, the state presents to its investors the right blend of strengths and opportunities. The Government is focused on building critical infrastructure required for the industry. The Government's priority is also to speed up the implementation of the projects approved in the state.

An ever growing Karnataka offers opportunity across sectors — notably infrastructure, pharma, automobiles, education, aerospace and many more — in an investor-friendly environment

State has been ranked 1st for a healthy business climate and attracting investments by World Bank's Investment Climate Index and Bangalore – Best India City to Live in - 'Quality of Living Survey - Worldwide Rankings, 2011'– Mercer.

The Government's priority is also to speed up the implementation of the projects approved in the state. Some of the prominent cities in the state are Bengaluru, Mysore, Mangalore, Belgaum, Gulbarga, Hubli-Dharwad, Shimoga, Kolar, Tumkur and Karwar. The state has witnessed rapid and unparalleled growth across various sectors.

Karnataka - The Knowledge Hub of Asia Karnataka accounts for around 5% of India's national income and the State has been ranked No. 1 by the World Bank for its investment climate in a study that analysed 16 States using 46investment parameters.

The fact that one new MNC invests in the State every week is testimony for the fact that Karnataka is the leading investment destination in the country. One of the fastest-growing states in the country and has a strong industrial base and vibrant tertiary sector.

It's services sector, has in fact been, the engine of growth. Karnataka continues to be the most preferred destination for all global IT & BT giants due to numerous favorable factors such as:

- 1. Pro-active Government
- 2. Industry friendly Labour Laws
- 3. Salubrious Climate
- 4. Excellent Law & Order situation
- 5. Absence of Natural Calamities
- 6. Talent pool of highly trained professionals

- 7. Cosmopolitan social life in the cities particularly at Bengaluru
- 8. Investor friendly opportunities
- 9. Excellent infrastructure
- 10. Readily available land
- 11. Highly skilled technical manpower base
- 12. Large number of technical and research institutes
- 13. Technology savvy work force with proficiency in English
- 14. Cultural diversity and cosmopolitan urban centres
- 15. Advanced healthcare facilities
- 16. Connectivity through air, rail, sea and road network integrated with the rest of the world
- 17. Liberalised economy with single window clearance for investors
- 18.Excellent logistics support
- 19. Abundant primary resources

In order to introduce efficient and effective follow up process of investment in the state and to ensure best possible investment environment for the investors in the State. Government has introduced an online portal called e-Udyami w.e.f. 1.04.2013. The objective of portal is to facilitate the investors and to file applications irrespective of their location and monitor of the status of the application filed.

Invest Karnataka 2015

Government of Karnataka has decided to conduct special event "Invest Karnataka 2015" to attract and promote investments in the state.

"Invest Karnataka 2015" would be organized from 23rd to 25th November, 2015 at Bangalore Palace Grounds.

This event would be mega event, which would reach out to investors across the world seeking investments in the following sectors:

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- 1. Information Technology
- 2. Bio Technology
- 3. Agro & Food Processing
- 4. Manufacturing including
- a. Automobiles,
- b. Aerospace,
- c. Machine tools,
- d. Defense,
- e. Heavy Engineering
- 5. Drugs and Pharmaceuticals
- 6. Electronics and Semiconductors manufacturing
- 7. Chemicals and Petrochemicals
- 8. Minerals
- 9. Textiles
- 10.Tourism
- 11. Transport Infrastructure
- 12. Urban Infrastructure
- 13.Education
- 14. Energy including Renewable Energy
- 15.Healthcare
- 16.Infrastructure Projects
- 17. Private Industrial Parks
- 18.Smart Townships

Before suggesting scope for industries, views of prospective entrepreneurs, knowledgeable person in the trade and industrial line, officials of DIC, financial institutions, various Government department and also agencies connected with industrial development have been carefully examined. Besides, availability of

skilled manpower, capital, and consumption pattern of local people have also been taken into consideration.

Based on the analysis as explained above the present State Profile has suggested the following micro, small and medium enterprises to be set up in the district.

The following are the activities to be engaged in Manufacturing/ Servicing having future tremendous scope for establishing Micro, Small and Medium Enterprises in Karnataka

I. Resource based Industries

A. Agriculture

- 1. Ragi Malt
- 2. Beaten Rice
- 3. Vermicelli
- 4. Rice Mill (modern)
- 5. Paper from ragi husk
- 6. Card board from paddy husk
- 7. Castor Oil
- 8. Edible Oil from Sunflower/groundnut
- 9. Modern Dal Mill
- 10.Flour Mill
- 11.Ragi based weaning food
- 12.Pop corn
- 13.Cattle feed
- 14.Papad making
- 15.Cattle licks
- 16. Cotton ginning/pressing
- 17.Potato Wafers
- 18.Rice Mill
- 19. Tobacco processing
- 20.Mat weaving
- 21. Tooth powder from paddy husk
- 22.Mandakki
- 23. Groundnut decorticating
- 24.Cotton seed oil
- 25.Bakers flour (CFTRI Technology)
- 26. Tartaric acid
- 27.Rice bran oil

- 28. Poultry feed
- 29. Tamarind starch
- 30. Solvent extraction plant
- 31.Jowar flakes
- 32.Maize flour
- 33.Coconut oil
- 34. Roasted Groundnut

B. **HORTICULTURE:**

- 1. Banana Chips
- 2. Potato chips
- 3. Dehydration of grapes
- 4. Syrups, squashes, juices jams & jellies from fruits and vegetables
- 5. Tomato ketchup/sauce
- 6. Fruit juice powder
- 7. Pickles & chutnies
- 8. Condiments
- 9. Desiccated coconut powder
- 10. Coir ropes, carpets etc
- 11. Brushes from coir bristles
- 12. Scented supari
- 13. Rubberised coir
- 14. Automobile gasket from coir pith
- 15. Papain from papaya
- 16. Tamarind powder/ concentrate/paste
- 17. Clarified fruit juices
- 18. Potaato Wafers
- 19. Extraction of essential oils from citronella, eucalyptus, lemon grass, sughandharaja etc.
- 20. Tuti fruity from papaya
- 21. Coffee grinding
- 22. Coffee roasting
- 23. Soapnut powder
- 24. Chilli powder
- 25. Turmeric powder
- 26. Cashew shell oil
- 27. Coconut shell powder
- 28. Bottling of coconut water
- 29. Activated carbon
- 30. Spice oils

- 31. Briquettes from coffee husk
- 32. Mango seed oil
- 33. Jack fruit canning
- 34. Papad from jack fruit seed
- 35. Carbonated coffee beverage
- 36. Fruit bars, toffees etc
- 37. Vinegar from fruit juice
- 38. Cardamom oil
- 39. Honey based beverage
- 40. Manufacture of Mango cereal flakes
- 41. Dehydrate green pepper
- 42. Mustard powder
- 43. Dehydrated ginger
- 44. Dehydrated green chillies
- 45. Orange, lime/lemon flavour blends for carbonated beverage
- 46. Manufacture of coffee and tea whiteners
- 48. Manufacture of ethanol from tapioca
- 49. Fruit juice powder
- 50. Fruit juice concentrate
- 51. Banana powder/toffee
- 52. Pickles and morabba from gooseberry
- 53. Dehydration of onions and onion powder
- 54. Gulkand
- 55. Tomato paste/powder
- 56. Potato powder
- 57. Cashew processing
- 58. Oleoresins (spices)
- 59. Cocoa mass
- 60. Honey based beverages

C. Live Stock & Poultry:-

- 1. Poultry dressing
- 2. Egg coating oil and eggs washing powder
- 3. Woollen blankets
- 4. Products from Chicken
- 5. Mat sausages and loaves
- 6. Cured and soaked pork products
- 7. Sheep skin tannery
- 9. Leather shoes, sandals and chappals

- 10.Leather hand gloves
- 11.Leather utility articles
- 12.Leather watch straps
- 13.Leather belts
- 14. Safety boots
- 15.Leather shoe upper
- 16.Leather garments
- 17.Egg Powder
- 18. Leather suitcases and travel goods

D. Forest:-

- 1. Leaf cups and plates
- 2. Wooden packing cases
- 3. Wooden furniture
- 4. Cane furniture
- 5. Wooden electrical fittings
- 6. Agarbathi sticks
- 7. Bullock carts
- 8. Wooden bobbing
- 9. Flush board
- 10. Lacqueware (wooden toys)
- 11. Photo framing
- 13. Sisal fibre products
- 14. Hand made paper and its products
- 15. Wood wool and wood wool slabs
- 16. Wooden cable drums
- 17. Briquettes from saw dust
- 18. Bamboo products
- 19. Wooden sports goods
- 20. Beedi making
- 21. Soapnut powder

E. Fisheries:-

- 1. Fish Meal
- 2. Tinned Fish
- 3. Canning of shrimps/fish
- 4. Manufacture of frozen ready to eat fish products
- 5. Fish pickles
- 6. Shark Lever oil

F. Sericulture:-

- 1. Silk reeling & silk twisting
- 2. Silk cocoon garlands
- 3. Silk garments
- 4. Art silk cloth
- 5. Extraction of Papua oil
- 6. Spun silk from silk waste
- 7. Silk filature

G. Minerals /Glass & Ceramics :-

- 1. Scientific Glass ware
- 2. Decoration of Glass and Ceramic ware
- 3. Roofing tiles, flooring tiles and decorative tiles from clay
- 4. Table moulded bricks
- 5. Wire cut bricks
- 6. Stone crushing
- 7. Stone polishing
- 8. Mineral pulverising
- 9. China clay levigation
- 10. Burnt lime
- 11. Mosaic tiles
- 12. Slates
- 13. Fire bricks
- 14. LT Insulators
- 15. Ceramic cores for resistors
- 16. Sodium bichromate
- 17. Corundum energy powder
- 18. Grinding wheels used in rice mills etc
- 19. Granite cutting and polishing
- 20. Stoneware pipes
- 21. Hydrated lime
- 22. Calcium carbonate
- 23. Glass bottles
- 24. Sand paper
- 25. Plaster of paris
- 26. Stoneware pickle jars

- 28. Colour pigment from stone powder
- 29. Fly ash bricks
- 30. Hollow concrete blocks
- 31. Bleaching powder
- 32. Sand lime bricks
- 33. PCC Poles
- 34. RC pipes and fittings
- 35. Glazed sewer pipes
- 36. RCC Pipes
- 37. Lens grinding
- 38. Granite floor tiles
- 39. Chalk crayons
- 40. Glass mirrors
- 41. Glass bangles
- 42. Clay blocks
- 43. Plaster toys
- 44. Pre-fabricated/RCC doors and window frames
- 45. Country bricks
- 46. Water filter candles
- 47. Sodium silicate
- 48. Synthetic lime colours
- 49. Sea shell grit
- 50. Ceramic table ware
- 51. Vitreous enamelled war like name boards, danger boards, display boards etc.

B. **DEMAND BASED INDUSTRIES**

I. Rubber products

- 1. Rubber balloons
- 2. Rubber stamps
- 3. Dipped rubber products like rubber bands, rubber nipples, feeders etc.
- 4. Rubber based adhesives
- 5. Rubber eraser
- 6. Hawai chappals
- 7. Rubber thread
- 8. Surgical gloves (latex)
- 9. MC Sheets
- 10. Tube vulcanising
- 11. Tyre retreading
- 12. Rubber hoses (braided)

- 13. Rubber moulded goods
- 14. Rubber mats
- 15. Rubber toys
- 16. Tyre trading materials

II. Plastic Products

- 1. Fibre glass reinforce plastic products
- 2. Plastic buttons
- 3. Alphabets, teaching aids plastic
- 4. Plastic rain coats and thermo welded plastic goods
- 5. Plastic key chains, name plates, sign boards
- 6. PVC watch straps
- 7. HDPE/PVC Containers
- 8. Acrylic sheets
- 9. Polythene bags
- 10. Injection moulded plastic goods
- 11. Slow moulded plastic goods
- 12. PVC flexible hoses
- 13. Spectacle frames
- 14. Bitumen laminated hessian bags
- 15. Monofilament yarn and its products
- 16. HDP/PVC containers
- 17. Lamp shades, holders, brackets plastic
- 19. PVC footwear
- 20. Nylon fish nets
- 21. Disposable plastic cups
- 22. Melamine crockery
- 23. Moulded luggage
- 24. Zip fasteners (Nylon)
- 25. HM-HDPE films and bags
- 26. Tooth brushes
- 27. Plastic hangers
- 28. PVC conduit pipes
- 29. Nylon box strapings
- 30. Rigid PVC pipes
- 31. Braided PVC Hoses
- 32. Belated yarn
- 33. Multi layer co-extruded films

- 34. Polyurethane foam
- 35. Nylon crash helmets
- 36. HDP Monofilament yarn
- 37. Nylon belts and foam belts
- 38. Plastic egg trays
- 39. Re-processed plastic goods
- 40. Plastic engineering goods
- 41. Plastic umbrella handle

III. Chemical Products

- 1. Writing ink
- 2. Washing soap
- 3. Detergent powder
- 4. Phenyl
- 5. Deodorant
- 6. Liquid detergent
- 7. Adhesive based on vinyl acetate
- 8. Recovery of silver from hypo-waste
- 9. Distemper
- 10. Camphor tablets
- 11. Agarbathi
- 12. Cleaning powder
- 13. Sanitary napkins
- 14. Perfumery compound
- 15. Shoe polish
- 16. Kumkum powder
- 17. Distilled water for automobiles
- 18. Safety matches
- 19. Cement paints
- 20. Paste paints
- 21. Starch adhesives
- 22. Synthetic gems
- 23. Ball Pen refills
- 24. Aluminium Sulphate
- 25. Mosquito repellents
- 26. Storage batteries
- 27. Potassium silicate
- 28. Turkey red oil
- 29. Wood polish/metal polish

- 30. Cosmetics like snow, face powder lipstick etc
- 31. Fire works
- 32. Electroplating
- 33. Floor polish
- 34. Tooth paste
- 35. Para dichlora benzene balls
- 36. Calcium chloride
- 37. Red oxide primer
- 38. Baking powder
- 39. Liquid glucose
- 40. Acid slurry
- 41. Silver nitrate
- 42. Azodyes
- 43. Copper sulphate
- 44. Zinc sulphate
- 45. Paints & varnish
- 46. Fish oil insecticidal soap
- 47. Resin and varnish from cashew shell liquid
- 48. Ferrous sulphate
- 49. Bleach liquour
- 50. Silica gel
- 51. Zinc oxide
- 52. Printing ink
- 53. Ayurvedic medicines
- 54. Gum and office paste
- 55. Mixed fertilizers
- 56. Petroleum jelly
- 57. Epsom salt
- 59. Injectable distilled water
- 60. Reclaiming of lubrication oil
- 61. Textile auxiliaries
- 62. Ultramarine blue
- 63. Empty gelatin capsules
- 64. Paracetamol
- 65. Pharmaceutical formulations
- 66. Magnesium sulphate
- 67. Sodium sulphate
- 68. Butyl acetate
- 69. Chronic acid
- 70. Liquid ammonia

- 71. Calcium hydroxide
- 72. Marine paints from cashew oil
- 73. Pesticide formulation

IV. Paper Products:-

- 1. Paper toys
- 2. Card board cartons
- 3. Paper cups and plates
- 4. Paper envelopes
- 5. File cover and folders etc.
- 6. Agarbathi tubes
- 7. Paper bags
- 8. Drinking straw
- 9. Gummed paper tape
- 10. Teleprinter rolls
- 12. Exercise books and registers
- 13. PVC coated paper
- 14. Paper egg tray
- 15. Paper napkins including fascial tissue napkins
- 16. Computer stationery
- 17. Composite containers
- 18. Decorative paper
- 19. Wax coated paper

V. Food & Allied Products:-

- 1. Biscuits
- 2. Bread
- 3. Aerated water
- 4. Ready mixed foods
- 5. Ice cream
- 6. Ice candy
- 7. Soft drinks
- 8. Confectionery
- 9. Iodised salt
- 10.Ice cream cones

VI. Mechanical Products

- 1. Aluminium utensils
- 2. Steel trunk
- 3. Steel furniture
- 4. Agricultural implements
- 5. Printing press
- 6. GI Buckets and tubes
- 7. Trolleys
- 8. Mechanical jacks
- 9. File clip mechanism
- 10. Hand saw blades
- 11. Umbrella assembly
- 12. Poultry equipments
- 13. Umbrella rios and fittings
- 14. Estate tools
- 15. General Engineering workshop
- 16. Copper and brass utensils
- 17. Aluminium furniture
- 18. Locks
- 19. Perambulators and tricycles
- 20. Assembly of gobar gas plants
- 21. Bicycle carriers and stands
- 22. Destoner (food graings cleaning unit)
- 23. Chairs for invalids and other hospital equipments
- 24. Machine shop vices
- 25. Barbed wire
- 26. Machine screws
- 27. Tyre inflators
- 28. Hand sapling machines
- 29. Hand numbering machines
- 30. Shoe nails/hob nails, shoe tacks
- 31. Watch strap (metallic)
- 32. Metal fittings for leather garments
- 33. Weighing machines
- 34. Household knitting machine
- 35. Paper pins, safety pins, staple pins, gem clips
- 36. Wire gage and wire netting
- 37. Hypodermic needles
- 38. Dusters and sprayers
- 39. Wick stoves

- 40. LPG Stoves
- 41. Carbide tipped tools
- 42. Drums and barrels
- 43. Wet grinders
- 44. Coffee roasters and grinders
- 45. Exhaust mufflers
- 46. Cycle balls and pedals
- 47. Bolts and nuts
- 48. Builder hardware (aluminium)
- 49. Tin containers
- 50. MS Transmission line hardware
- 51. Rivets
- 52. Precision machine components
- 53. PP Caps
- 54. Pressure stoves
- 55. Cir clips
- 56. Wood screws
- 58. Mechanical toys
- 59. Drawing and mathematical instruments
- 60. Assembly of cycles
- 61. Cycle locks and other pressed components
- 62. General purpose machine shop
- 63. Lead pencils
- 64. Rolling shutters
- 65. Saw mills
- 66. Iron powder
- 67. Steel window and door frames
- 68. Street light fixtures
- 69. Water filters
- 70. Improved bullock cart
- 71. Steel rocks
- 72. Milk cans
- 73. Slotted angles
- 74. Offset printing
- 75. Auto body building
- 76. Welded wire mesh
- 77. Staple pins
- 78. MS Conduit pipes
- 79. Sheet metal pressed components (sub-contract item for large and medium industries)

- 80. LPG Valves and regulators
- 81. Machine tools accessories for CNC and conventional machine tools
- 82. Automobile component
- 83. Special purpose machine tools
- 84. Material handling equipment
- 85. Cutting tolls, jigs and fixtures
- 86. Clocks and time pieces
- 87. Enamelled sign boards
- 88. Submersible pumps
- 89. Sanitary fixtures
- 90. School slates
- 91. Hand pumps
- 92. Pop rivets
- 93. Pressure stoves
- 94. Cycle chains

VII Metallurgy

- 1. Cast iron junction boxes
- 2. Enamelled copper wire
- 3. Steel foundry
- 4. Cast iron foundry
- 5. Non-ferrous foundry
- 6. Aluminium re-rolling
- 7. Wire drawing
- 8. Bright bars
- 9. Pressure die casting
- 10. Fabrication of pressure vessels
- 11.Steel re-rolling
- 12. Forging units
- 13. Heat treatment shops

VIII Electrical Products:

- 1. Small Transformers
- 2. Auto lamps
- 3. Chokes and fittings for fluorescent lamps
- 4. Table/exhaust fans
- 5. Domestic electric appliances like hot plates, immersion heaters

- 6. Miniature bulbs
- 7. Voltage stabilizers
- 8. Black adhesive insulation tapes
- 9. Emergency lamps
- 10. Radio/transistor receivers
- 11. Microphones and loud speakers
- 12. Metal cad switches
- 13. Bakelite electric accessories
- 14. PVC Wires
- 15. AB switches and drop-out fuses
- 16. DOLO Cut outs
- 17. Plastic moulded electric accessories
- 18. Auto electric fuse boxes and fuses
- 19. MRC Fuses
- 20. Electric motors upto 7.50 Hp
- 21. Rewinding of electric motors and fans
- 22. Electric stampings
- 23. Mini light assemblies
- 24. Storage Batteries
- 25. Washing machines
- 26. Carbon brushes
- 27. Welding electrodes
- 28. PVC Insulation tapes
- 29. Toggle switches
- 30. Rotary switches
- 31. Ceiling fans
- 32. Current transformer and potential transformer
- 33. Power distribution transformers
- 34. AAC & ACSR conductors
- 35. Control Panels
- 36. Room coolers

IX. Textile Products & Hosiery:-

- 1. Readymade garments
- 2. Hosiery (Briefs & vests)
- 3. Cotton socks
- 4. Woollen knitted garments
- 5. Stove wicks
- 6. Nylon socks
- 7. Low count cotton yarn
- 8. Surgical dressing
- 9. Sanitary towels
- 10. Shoe laces and file tags
- 11. Tarpaulin
- 12. Woven labels

X. Electronic Industries :-

- 1. Audio tape recorder and combination with radiolighter
- 2. Dictation tape recorder
- 3. Car audio cassette players and combination thereof with audio
- 4. AM/FM radio
- 5. Entertainment amplifiers
- 6. Micro phones
- 7. Loud speakers
- 8. Electronic flash guns
- 9. TV Booster amplifiers
- 10. Record players/cadgers and combination with radio
- 11. Aerials/antennas for radio receivers & TV Receivers
- 12. Electronic fan regulators
- 13. Electronic light dimers
- 14. Electronic twilight switches
- 15. Electronic light dimmers
- 16. Electronic gas lighter cigarette
- 17. Electronic lantern/ emergency lamp/torch
- 18. Battery eliminator/power packs
- 19. TV Tuner (turret type)
- 20. Electronic calculators
 - a) Pocket
 - b) Table top type
- 21. Intercom Systems (Other than using radio waves)
- 22. Electronic ignition systems for automobiles
- 23. Pick up cartridges/ styles
- 24. Electronic teaching aids(without Computer/ peripherals)

- 25. Electronic analogue digitals clocks and time pieces(with or without alarm/chiming and combination thereof with radio)
- 26. Driver unit for speaker systems
- 27. Automobile beeper/ flasher
- 28. Audio Cassette (Blank)
- 29. Audio Cassette (Duplicated)
- 30. Megaphone/ ampli-speaker
- 31. Electronic siren/loud hailer
- 32. Electronic clock
- 33. Electronic Door Bell
- 34. Monochrome T.V.Receivers
- 35. Colour T.V.Receivers
- 36. Cooking Gas safety alarm
- 37. Electronic toys and games with/ without ultrasonic control and without RF radiation
- 38. T.V.Games (without monitor)
- 39. Remote control switch
- 40. Automobile dipper
- 41. I.F.pack for T.V
- 42. Blank Video cassette
- 43. Digital electronic watches including products incorporating digital electronic watches
- 44. Electronics chiming devices and associated products Control units
- 45. Control units for T.V.Tuner
- 46. Switching mode power supplies
- 47. DC power supplies
- 48. Invertors and convertors upto 50 KVA
- 49. Electronic Multi-meter
- 50. Voltmeter
- 51. Ammeter
- 52. Audio generators/ oscillators
- 53. Electronic industrial timers
- 54. Electronic Battery charger
- 55. Float chargers
- 56. Electronic single phasing preventers
- 57. Electronic line frequency meters
- 58. Electronic techometer
- 59. Solid state voltage stabilizers
- 60. Electronic wire security alarms units with sound and light blinkers only
- 61. Electronic insulation toasters
- 62. Electronic cable fault locator
- 63. Electronic (frequency sensitive)insect/rodent killer repellers
- 64. Moisture meter (Electronic)

- 65. Soil testing meter
- 66. Water analyzer
- 67. Electronic watt meter
- 68. Electronic mix analyzer
- 69. Logic probe
- 70. Static ringer for telephones
- 71. Semi conductor/IC tester
- 72. Electronic salinometer
- 73. Electronic Pain killers
- 74. Electronic temperature controllers/indicators
- 75. Electronic Pressure Controller/indicator
- 76. Electronic liquid level controllers/indicators/flow transmitters
- 77. Electronic breath analy-zer/alcohol detector
- 78. Servo control voltage stabiliser
- 79. Uninterrupted power supply unit rating upto 25KVA
- 80. Ultrasonic cleaners
- 81. Ultrasonic flaw detector
- 82. High Voltage probe
- 83. Logic kit consisting of (a) Logic comparator
 - (b) Current tracer
 - (c) Logic Probe
 - (d) Logic clip
- 84. Eprom programmer
- 85. U.V.Eraser
- 86. Machine tool monitor X,Y,Z
- 87. Microprocessor trainer
- 88. Digital dash board equipment to display engine temperature, fuel content, speed time and other parameters.
- 89. Push button telephone dialler without telephone
- 90. Telephone amplifier for subscribers' use
- 91. Printed Circuit Board
- 92. Deflection components for monochrome TV receivers including EHT
- 93. Transformer and chokes for electronic applications
- 94. RF/F coils
- 95. Socket for diodes, transistors, integrated valves electronic crystals and liquid crystal display.
- 96. Wire wound resistor
- 97. Switches (Other than need type)
- 98. Jacks and plus for inter connecting cables used in electronics equipment system
- 99. Co-axial connectors

- 100. Electronic vibration meters/analyzer
- 101. Electronic weighing scale upto 10kg
- 102. Ultrasonic probes
- 103. Electronic Metal detectors
- 104. Flow metering instru-ments
- 105. Ultrasonic thickness gauge
- 106. Ultrasonic non-destructive testing units
- 107. Ultrasonic accelerometer
- 108. Ultrasonic level gauges
- 109. 8 bit home/personal computers
- 110. Electronic token display unit
- 111. Solid State motor controller/speed controllers
- 112. Digital/analogue electronic meter for voltage, resistance and db measurement including digital panel meters of the types mentioned
- 113. Electronic continuity tester
- 114. Quartz timing movement mechanisms for electronic clocks and time pieces without alarms/chiming
- 115. Electronics earth leakage tester
- 116. Distribution amplifier
- 117. Attenuators
- 118. Signal splitters
- 119. Graphic equalizer
- 120. Frequency synthsiser
- 121. Electronic starters for tube lights
- 122. Electric display unit for information/test
- 123. Electronic starters for motors
- 124. Electronic overload on under load protection units/overload cut out motors
- 125. CRT data display monitor (monochrome)
- 126. Electronic signal conditioners
- 127. Electronic flow meters/ instruments(without imported peripherals)
- 128. Custom built controls panels
- 129. Micro/mini computers including personal computers Rs. 3 crores
- 130. Solid state relays
- 131. Analogue/digital convertors
- 132. Micro processor development kits

XI. Others:-

- 1. School bags
- 2. Screen printing
- 3. Rexin utility articles
- 4. School/office uniforms
- 5. Canvas Shoes
- 6. Cane Furniture
- 7. Carpet weaving
- 8. Kambli weaving

XII. Service Enterprises

Professional Services

Legal Services

Accounting, auditing and bookeeping services

Taxation Services

Architectural services

Engineering services

Urban planning and landscape

Architectural services

Medical and .dental services

Veterinary services.

Services provided by midwives, nurses,

Computer and Related Services

Consultancy services related to the installation of computer hardware Software implementation services Data processing services

Data base services

Research .and Development Services

R&D services on natural sciences R&D services on social sciences and humanities Interdisciplinary R&D services

Real Estate Services

Involving own or leased property On a fee or contract basis

Rental/Leasing Services without Operators

Relating to ships
Relating to aircraft
Relating to other-transport equipment
Relating to Other Machenery and equipment

Other Business Services

Advertising_Services
Management consulting Services
Technical testing and analysis services.
Placement and supply services of Personnel
Investigation and security
Related scientific and technical consulting
Services
Building-cleaning services
Photographic services
Packaging services
Printing, publishing

The list of micro, small and medium enterprises (Manufacturing and Servicing) given above may be taken as indicative and not exhaustive. Women Entrepreneurs who are interested in setting up micro, small and medium enterprises in Karnataka are advised to contact the following MSME-Development Institutes Government of India, Ministry of MSME. for further information:

The Director,	Dy. Director I/c
MSME-Development Institute	BR.MSME-Development Institute,
(Formerly SISI)	(Formerly BR. SISI)
Rajaji NagarIndustrial Estate,	L-11, Indl.Estate, Yeyyadi,
Bangalore -560 010.	Mangalore-575008
Ph:080-23151581/82/83	Ph: 0824-2217936/96
Fax :080-23144506	E-mail: brdcdi-mang@dcmsme.gov.in
E-mail: dcdi-bang@dcmsme.gov.in	
The Director,	Dy. Director I/c
MSME-Development Institute	BR.MSME-Development Institute,
(Formerly SISI)	C-122, Industrial Estate (Formerly
Industrial Estate, Gokul Road,	BR. SISI)
Hubli -580 030	S.K.Mill Road, Gulbarga-585102
Ph:0836-2332334/2330589/2335634	Ph:08472-420944
Fax :0836-2330389	
E-mail: dcdi-hubli@dcmsme.gov.in	

Annexure-A

List of District Industries Centre in Karnataka

SIN o.	District	Address	Office Phone	Office Fax	E-mail
1	Belgaum	District Industries Centre, Udyam Bagh, Belgaum – 590 008	0831- 2440430/ 2440852	0831- 244120 9	jd-belgam@karnatakaindustry.gov.in
2	Bellary	District Industries Centre, Hospet Road, Bellary- 583 103	08392- 242643	08392- 242370	jd-bellary@karnatakaindustry.gov.in
3	Bengaluru Rural	The Joint Director, District Industries Centre, Rajajinagar Industrial Estate, West of Chord Road, Bengaluru – 560 044. Rural	080- 2314521 6/231421 51/23142 152	-	jd-bang-u@karnatakaindustry.gov.in
4	Bengaluru Urban	The Joint Director, District Industries Centre, Rajajinagar Industrial Estate, West of Chord Road, Bengaluru – 560 044. Urban	080- 2314521 6/231421 51/23142 152	-	
5	Bidar	District Industries Centre, Naubad, Bidar	08482- 232769	08482- 233129	jd-bidar@karnatakaindustry.gov.in
6	Bijapur	District Industries Centre Industrial Estate, Station Back Road, Shikhara Khana, Bijapur	08352- 250976	08352- 250607	jd-bijapur@karnatakaindustry.gov.in
7	Chamarajan agar	The Joint Director, District Industries Centre Room No.323, 3rd Floor, District Office Complex, B.Rachaiah Double Road, Chamarajanagar – 571 313.	08226- 224916/2 24915	-	jd-cmagalur@karnatakaindustry.gov.in

8	Chickballap ur	The Joint Director, District Industries Centre, B B Road, ATI Building, Chickballapur – 562 101 The Joint	08156- 273303/2 70571	-	jd-cbalapur@karnatakaindustry.gov.in
9	Chikmagalu r	Director, District Industries Centre Near Zilla Panchayat, Kadur Road, Chikmagalur – 577102	08262- 220921/2 20726	-	jd-cnagar@karnatakaindustry.gov.in
10	Chitradurga	The Joint Director, District Industries Centre Jogimatt Road Chitradurga - 577 501.	08194- 235994/2 35817/23 5783	-	jd-cdurga@karnatakaindustry.gov
11	Davangere	The Joint Director, District Industries Centre, Plot No. 76-A (P1), Karur Industrial Area, Harihara Road, Davangere.	08192- 232052/2 32053/23 2051	-	jd-dvangere@karnatakaindustry.gov.in
12	Dharwad	District Industries Centre, Rayapur, Dharwad	0836- 2322986	0836- 232262 7	jd-dharwad@karnatakaindustry.gov.in
13	Gadag	District Industries Centre, RISHB PLAZA Building, Opp. K.E.B, Gadag	08372- 231398	08372- 230771	jd-gadag@karnatakaindustry.gov.in
14	Gulbarga	District Industries Centre, M.S.K. Mill Road, Jeewarigi Road Cross, Gulbarga	08472- 223988	08472- 232404	jd-gulbarga@karnatakaindustry.gov.in
15	Hassan	The Joint Director, District Industries Centre Industrial Estate, B.M. Road Hassan - 573 201.	08172- 240606/2 40289	-	jd-hassan@karnatakaindustry.gov.in

1.4		District Industries			
16	Haveri	Centre, Room No. 24, B Block, District Administrative Building, Devagiri, Haveri –581 110	08375- 249029	08375- 249028	jd-haveri@karnatakaindustry.gov.in
17	Karwar	District Industries Centre Shirwad , Karwar-581306	08382- 282367	08382- 282302	jd-karwar@karnatakaindustry.gov.in
18	Kolar	The Joint Director, District Industries Centre DC Office Compound Kolar - 563 101.	08152- 222402/2 22403	-	jd-kolar@karnatakaindustry.gov.in
19	Koppal	District Industries Centre, Opp. Mayur Hotel, Koppal	08539- 231101	08539- 231548	jd-koppal@karnatakaindustry.gov.in
20	Madikeri	District Industries Centre, Bus Stand Road, Madikeri	08272- 228431	08272- 228746	jd-kodagu@karnatakaindustry.gov.in
21	Madikeri	The Joint Director, District Industries Centre Kohinur Road, Industrial Estate, Madikeri - 571 121.	08272- 228746/2 28748/22 8431	-	jd-kodagu@karnatakaindustry.gov.in
22	Mandya	The Joint Director, District Industries Centre Near KSFC, Subhash Nagar, Mandya - 571 401	08232- 224098/2 21358	-	jd-mandya@karnatakaindustry.gov.in
23	Mangalore	District Industries Centre, Yeyyadi, Mangalore	08242- 212494	08242- 214021	jd-mangalore@karnatakaindustry.gov.in
24	Mysore	The Joint Director, District Industries Centre CTI Building Sayyaji Rao Road Mysore - 570001	0821- 2446885/ 2449810	-	jd-mysore@karnatakaindustry.gov.in
25	Raichur	District Industries Centre, Hyderabad Road, Raichur	08532- 235646	08532- 235811	jd-raichur@karnatakaindustry.gov.in

26	Ramanagar	The Joint Director, District Industries Centre, Industrial Estate, Ramanagar - 571 511	080- 7273008	-	jd- ramanagara@karnatakaindustry.gov.in
27	Shimoga	The Joint Director, District Industries Centre Nehru Road Shimoga - 577201	08182- 278302/2 22802	-	jd-shimoga@karnata kaindustry.gov.in
28	Tumkur	The Joint Director, District Industries Centre Industrial Estate, B.H.Road, Tumkur - 572102	0816- 2280741/ 2281485	-	jd-tumkur@karnatakaindustry.gov.in
29	Udupi	The Joint Director, District Industries Centre VST Road, Jayalakshmi Building, Kalsanka, Udupi – 576101	0820- 2534338/ 2522605/ 2531915	-	jd-udupi@karnatakaindustry.gov.in
30	Yadagir	District Industries Centre, APMC Yard, Ganja Pradesh, Yadagir	08473- 296717	-	Jd-yadgir@karnatakaindustry.gov.in

Classification of Talukas into Zones for Incentives and Concessions Annexure -B

Sl. No.	Districts	Total No. of	Karn Area	rabad ataka taluks	Other than Hyderabad Karnataka Area taluks			ea taluks		
		Taluks	HK Zone 1	HK Zone 2	Zone 1	Zone 2	Zone 3	Zone 4		
1	2	3	4	5	6	7	8	9		
1	B'lore (U)	4	-	-	-	-	-	Anekal		
			-	-	-	-	-	B'lore (N)		
			-	-	-	-	-	B'lore (S)		
			-	-	-	-	-	B'lore (E)		
2	B'lore (R)	4	-	-	-	-	-	Devanahalli		
			-	-	-	-	-	D'ballapura		
			-	-	-	-	-	Hoskote		
			-	-	-	-	-	Nelamangala		
3	Ramanagara	4	-	-	-	-	Magadi	Ramanagara		
			-	-	-	-	Channapattana	-		
			-	-	-	-	Kanakapura	-		
4	Chitradurga	6	-	-	-	Hiriyur	-	-		
			-	-	-	Molkalmuru	-	-		
			-	-	Holalkere	Chitradurga	-	-		
			-	-	-	Hosadurga	Challakere	-		
5	Davanagere	6	-	-	Channagiri	Honnali	Davanagere	-		
			-	-	Jagalur	-	Harihar	-		
			-	-	Harappanahalli	-	-	-		
6	Chikka- ballapura	6	-	-	Gudibande	Chintamani	Gowribidanur	-		
			-	-	Bagepalli	Chickaballapura	Siddlaghatta	-		
7	Kolar	5	-	-	Mulbagal	-	Kolar	-		
			-	-	Srinivasapura	-	Bangarpet	-		
			-	-	-	-	Malur	-		
8	Shimoga	7	-	-	Soraba	Hosanagara	Shimoga	-		
			-	-	-	-	Bhadravathi	-		
	l		ļ	ļ		-	-	-	-	Sagar
			-	-	-	-	Shikaripura	-		
			-	-	-	-	Thirthahalli	-		

Sl. No.	Districts	Total No. of Taluks	Hydei Karns Area HK		Other than Hyderabad Karnataka Area taluk		taluks	
		Tatuks	Zone 1	Zone 2	Zone 1	Zone 2	Zone 3	Zone 4
1	2	3	4	5	6	7	8	9
9	Tumkur	10	-	-	-	Madhugiri	Tumkur	
			-	-	-	-	Turuvekere	-
			-	-	-	Koratagere	Tiptur	-
			-	-	-	Gubbi	Chikkanaya kanahalli	-
			-	-	-	Sira	Kunigal	-
			-	-	-	Pavagada	-	-
10	Chama-	4	-	-	Yelandur	Chamarajanagar	-	-
			-	-	Gundlupet	Kollegal	-	-
11	Chick-	7	-	-	-	Kadur	Chickmagaloru	-
			-	-	-	Mudigere	Shringeri	-
			-	-	-	Tarikere	Koppa	-
			-	-	-	-	N R Pura	-
12	Dakshina	5	-	-	-	-	Mangalore	-
						Bantwal	Puttur	
			-	-	-	-	Sulya	-
			-	-	-	-	Belthangadi	-
13	Hassan	8	-	-	Arakalgud	Arasikere	Hassan	-
			-	-	Belur	C R Patna	Sakleshpura	-
			-	-	-	H N Pura	-	-
			-	-	-	Alur	-	-
14	Kodagu	3	-	-	Virajpet	Madikeri	-	-
			-	-	-	Somwarpet	-	-
15	Mandya	7	-	-	Malavalli	Srirangapatna	Mandya	-
			-	-	-	Nagamangala	Maddur	-
			-	-	-	K R Pet	-	-
			-	-	-	Pandavapura	-	-
16	Mysore	7	-	-	Periyapatna	Hunsur	Mysore	-
			-	-	H D Kote	T N Pura	Nanjangud	-
			-	-	-	K R Nagara	-	-

Sl. No.	Districts	Total No. of	Karn Area	rabad ataka taluks	Other than Hyderabad Karnataka Area taluks			ea taluks
		Taluks	HK Zone 1	HK Zone 2	Zone 1	Zone 2	Zone 3	Zone 4
1	2	3	4	5	6	7	8	9
17	Udupi	3	-	-	-	-	Udupi	-
			-	-	-	-	Kundapura	-
			-	-	-	-	Karkala	-
18	Bagalkote	6	-	-	-	Bilagi	Bagalkote	-
			-	-	-	Badami	Mudhol	-
			-	-	-	-	Jamkhandi	-
			-	-	-	-	Hunagund	-
19	Belgaum	10	-	-	-	-	Belgaum	-
			-	-	-	Bailhongal	Athani	-
			-	-	-	Soundathi	Hukkeri	-
			-	-	-	Chikkodi	Gokak	-
			-	-	-	Raibag	Khanapur	-
			-	-	-	-	Ramdurg	-
20	Bijapur	5	-	-	Muddebihal	Sindgi	-	-
			-	-	B Bagewadi	Indi	-	-
			-	-	-	Bijapur	-	-
21	Dharwad	5	-	-	-	-	Dharwad	-
			-	-	-	-	Hubli	-
			-	-	-	Navalgund	Kalghatagi	-
			-	-	-	-	Kundaghol	-
22	Gadag	5	-	-	Nargund	Mundargi	Gadag	-
			-	-	Ron	-	Shirahatti	-
23	Haveri	7	-	-	Hirekerur	Savanur	Ranebennur	-
			-	-	Hanagal	Shiggaon	Byadagi	-
			-	-	-	Haveri	-	-
24	Uttara	11	-	-	-	Honnavar	Karwar	-
	Kannada		-	-	-	Sirsi	Haliyal	-
			-	-	-	Mundagod	Supa	-
			-	-	-	Yellapura	Bhatkal	-
			-	-	-	Siddapura	Ankola	-
			-	-	-	-	Kumta	-

Sl. No.	Districts	Total No. of	Hydera Karnat Area ta	aka luks	Other tha	Other than Hyderabad Karnataka Area taluks			
		Taluks	HK HK Zone 1 Zone 2		Zone 1	Zone 2	Zone 3	Zone 4	
1	2	3	4	5	6	7	8	9	
25	Bellary	7	H B Halli	Bellary	-	-	-	-	
			Hadagalli	Hospet	-	-	-	-	
			Kudligi	Sandur	-	-	-	-	
			-	Siraguppa	-	-	-	-	
26	Bidar	5	Bhalki	Bidar	-	-	-	-	
			Humnabad	-	-	-	-	-	
			Basava Kalyana	-	-	-	-	-	
			Aurad	-	-	-	-	-	
27	Gulbarga	7	Gulbarga	Sedam	-	-	-	-	
			Afzalpur	Chittapur	-	-	-	-	
			Aland	Chincholi	-	-	-	-	
			Jewargi	-	-	-	-		
28	Yadgir	3	Yadgir	-	-	-	-	-	
			Shahapur	-	-	-	-	-	
			Shorapur	-	-	-	-	-	
29	Koppal	4	Kushtagi	Koppal	-	-	-	-	
			Yelburga	Gangavathi	-	-	-	-	
30	Raichur	5	Sindhanur	Raichur	-	-	-	-	
			Manvi	-	-	-	-	-	
			Lingasugur	-	-	-	-	-	
			Devadurga	-	-	-	-	-	
	Total	176	20	11	23	51	62	9	